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Daily Report

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Daily Report

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APEC Officials Reach Consensus on Sustainable Development

*BK1207073696 Manila PNA in English
0841 GMT 11 Jul 96*

[Report by Lilybeth G. Ison — received via Internet]

[FBIS Transcribed Text] Manila, July 10 (PNA) — The Asia-Pacific Economic Cooperation (APEC) Environment Senior Officials have reached several consensus decisions on its final day of the senior officials meeting (SOM) on sustainable development.

Environment and Natural Resources Undersecretary and Chairman of APEC-SOM on sustainable development Delfin Ganapin today announced that one important aspect reached in the SOM is to promote awareness of the International Standard Organization (ISO) 14000.

Ganapin said that ISO 14000 is a new international standard system which will grade and evaluate industries in relation to their environment activities or their capability to integrate environment within the production process.

He explained that ISO 14000 is "a sort of label being put by the international standard organizations which refers to how good the company is in terms of environment," so the companies will be fully aware on using clean technology and clean production.

"If the company passes the ISO 14000 standards, it means that the said company is of high type of quality and is environment-friendly," Ganapin said.

Another consensus decision reached by senior officials, Ganapin said, is for the APEC economies to focus on cleaner production on small and medium enterprises (SMEs) "which is a particular concern to a country

like the Philippines where a lot of our livelihood or employment usually comes from the SMEs."

Helping the SMEs in acquiring clean technology and clean production is essential because these small industries have very little capital to set up very expensive processing technology like waste water treatment plants or a pollution control facility, Ganapin explained.

The SOM chair further said that large industries can easily shift and avail of a more cleaner production because they have the financial resources to set up these technologies.

Ganapin said that APEC senior officials agreed that the implementation of the clean technology and clean production program must be done as fast as possible. However, some differences in terms of situation of the APEC economies should be considered.

Another consensus reached in the SOM include the strengthening of public-private partnership.

Ganapin said "in the public-private partnership, technology transfer will be coursed to linkages between the private sectors of the various APEC economies."

Strengthening public-private partnership include sharing of information, not just on clean technologies but also in clean production policies, he said.

As a whole, senior officials will present in the ministerial meeting to be held on July 11-12, an APEC cleaner production strategy.

Ganapin said this will cover all the important concerns and elements of the green production strategy.

Ten Asian Nations Seeking Auto Industry Tie-Ups

*OWI107120696 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 10 Jul 96 Morning Edition p 9*

[By Teiichi Miyauchi]

[FBIS Translated Text] Bangkok, 9 Jul — On 8 and 9 July, six ASEAN members, except Brunei, as well as Cambodia, Laos, Myanmar [Burma], and Japan held the "ASEAN 10 automobile experts' conference" in Bangkok. The conference adopted an advisory report on expansion of intraregional procurement and reinforcement of competitive power concerning auto-related industries. The report will be submitted to the September ASEAN-Japan economic ministers' conference (AEM-MITI) meeting in Jakarta.

The report says closer tie-ups in the regional market is important for reinforcement of Asia's competitive power in the auto and auto parts industries, recommending positive use of intraregional tariff cut plans, such as the ASEAN Industrial Cooperation Outline (AICO). The report adds such systems must be implemented smoothly and fairly.

The report recommends Japan sponsor international forums on development of auto-related supporting industries, develop models intended for the ASEAN market, and transfer industrial technology in a positive manner. On development of auto industries in the Indochina peninsula and Burma, the report says these countries should upgrade their investment-related legal systems and social infrastructure. On top of that, the report proposes the dispatch of Japanese or ASEAN experts to those countries.

Laos Holds Talks With ASEAN Officials on Economic Policies

*BK1107071796 Vientiane VIENTIANE TIMES
in English 5-11 Jul 96 p 2*

[Unattributed report]

[FBIS Transcribed Text] Talks between Lao officials and representatives of the Association for Southeast

Asian Nations (ASEAN) were held at the Lan Xang Hotel last week.

Senior economic officials of ASEAN came to study and collect data on Lao economic policies and guidelines, particularly regarding trade and finance in anticipation of Laos joining the ASEAN Free Trade Area (AFTA) in the future.

Leading the Lao side was vice President of the Committee for Planning and Cooperation, Mrs. Khempheng Phonsena.

The ASEAN side was headed by Dato Haji Awang Ahmad Yussof, Secretary to the Ministry of Industry and Materials of Brunei.

The senior officials of ASEAN also paid courtesy visits to the deputy Minister for Foreign Affairs, Mr. Phongsavat Boupha, Minister of Commerce, Mr. Sompadit Volasan, and Minister of Finance Saisomphon Phomvihan.

ASEAN senior officials also spoke with officials of the Lao National Chamber of Commerce and Industry.

During a meeting with the ASEAN delegation, Vice-Prime Minister Boun-gnang Volachit commended the Laos' visit by the senior economic officials which significantly contributed to the preparation for the country's ASEAN's membership. The vice premier also informed his guests of the socio-economic development in Laos.

Japan

Japan: MITI Minister Reacts to 'Negative' Outlook of U.S. on Talks

OWI207062796 Tokyo KYODO in English
0553 GMT 12 Jul 96

[FBIS Transcribed Text] Tokyo, July 12 KYODO — International Trade and Industry Minister Shunpei Tsukahara voiced displeasure Friday with acting U.S. Trade Representative Charlene Barshefsky's negative outlook for their upcoming bilateral talks on the semiconductor dispute.

Barshefsky told reporters Thursday in Washington that an agreement would be "unlikely" when she and Tsukahara meet in New Zealand on the fringe of a meeting of trade ministers of the Asia-Pacific Economic Cooperation forum.

"That's not the attitude," Tsukahara said at a news conference, noting that he and Barshefsky agreed on their commitment to a resolution of the dispute when they met in Lyons, France, during the meeting of leaders from the Group of Seven (G-7) industrial powers.

Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton agreed to settle the spat by July 31 when they met bilaterally during the Lyons summit.

The dispute centers on a cooperative framework to replace the current Japan-U.S. semiconductor agreement expiring July 31.

Rather than ensuring market access, Japan is proposing a global government forum among Japan, the U.S., the European Union and possibly other economies to discuss market barriers, tariffs and other issues surrounding microchip trade.

The Japanese semiconductor industry is also proposing a world semiconductor conference for multilateral industrial cooperation.

Tsukahara said an acceptable solution must be sought based on these proposals, saying Japan took a bold decision in proposing the global forum.

The U.S., however, wants a new bilateral agreement to preserve and continue progress made under the old accord, which effectively sets aside 20 percent of the Japanese market for foreign chips.

Foreign market share is now more than 30 percent.

While Washington has offered to drop the 20 percent target, Tokyo rejected a new bilateral accord, saying it would effectively create another target because it sets a floor at 30 percent.

The U.S. is also asking the two governments to continue to survey and monitor foreign market share in Japan, a call Japan criticizes as conducive to managed trade. Japan monitored market share every quarter under the old agreement.

On a press report that Japan is ready to accept unilateral market share surveys by the U.S., Tsukahara said, "we can do nothing if they (the U.S.) want to do it by themselves."

Japan: Electronics Industry Leader Comments on U.S. Chip Surveys

OWI207114396 Tokyo KYODO in English
0958 GMT 12 Jul 96

[FBIS Transcribed Text] Tokyo, July 12 KYODO — A Japanese electronics industry leader Friday seemed unperturbed about the prospect of the United States unilaterally continuing to survey the foreign share of the Japanese semiconductor market.

"We cannot stop the U.S. from surveying (foreign) market share (in Japan)," said Takuji Shimmura, head of the users committee of foreign semiconductors under the Electronic Industries Association of Japan.

Market share surveys are one of the focal points in the prolonged Japan-U.S. standoff over the role of government in the semiconductor industry after the current bilateral microchip agreement expires July 31.

The 1991 accord effectively reserved at least 20 percent of the Japanese market for foreign chips. Foreign market share now stands above 30 percent.

The users committee has worked to enhance cooperation between U.S. microchip suppliers and Japanese users under the agreement.

The U.S. wants the two governments to strike a new bilateral agreement after the old pact expires and to continue monitoring foreign market share, fearing that the share will otherwise fall back from the current level.

Japan has rejected the call, arguing that such monitoring is conducive to managed trade.

But a Japanese newspaper report said Friday the Ministry of International Trade and Industry (MITI) is ready to accept unilateral market share surveys by Washington.

While failing to confirm the report, MITI Minister Shunpei Tsukahara told a news conference the same day that Japan could do nothing if the U.S. goes it alone on the surveys.

However, Shimmura, who is also managing director of Mitsubishi Electric Corp., said the Japanese industry

will play no role in the surveys, adding "Japanese private companies have no intention of surveying foreign market share or reporting (survey results) to MITI."

He also rejected numerical targets or anything resembling them as "unnecessary" after the expiry of the present accord.

The U.S. wants a new bilateral accord to preserve and advance progress made under the old agreement.

Japan instead proposes a multilateral government framework among Japan, the U.S., the European union and possibly other countries to discuss market barriers, tariffs and other issues surrounding microchip trade without making any commitment to market access.

The Japanese industry group and the U.S. Semiconductor Industry Association (SIA) are also negotiating a private-sector partnership framework.

While the Japanese side sees no room for a government role in the framework, SIA Chairman Pat Weber argues that government involvement is necessary to avoid possible charges under the U.S. antitrust law.

Shimmura refuted this argument, saying the U.S. side finds government involvement necessary because it hopes to discuss market share under the framework.

He said the users committee will continue to hold a dialogue with U.S. semiconductor suppliers for three years after expiry of the old pact.

Japan: EU Official Opposes Bilateral Chip Agreement With U.S.

OW1107120596 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Jul 96 Morning Edition p 5

[FBIS Translated Text] Peter Carl, the European Commission's director in charge of sectoral commercial issues, gave an interview to NIHON KEIZAI SHIMBUN reporters on 9 July, during which he stressed that after the Japan-U.S. semiconductor agreement expires, cooperation with the private sector should play a major role and government intervention should be limited.

He also expressed his opposition to a framework exclusive to Japan and the United States, and indicated the European Union's (EU) desire to participate in the major semiconductor countries meeting that Japan is suggesting, once it is organized.

The following is a summary of his remarks during the interview:

The existing semiconductor agreement is a purely bilateral one, and it prevents European companies from cooperating with Japanese and U.S. industries. Political pressure is being applied to increase the share of U.S.

products, which results in the stagnation of the share of European products.

Major activities should be conducted by the semiconductor industries after the agreement expires. It is desirable to engage in business cooperation, such as the promotion of design-in efforts, through the new world semiconductor conference.

The government's role should be limited, and policies that may have an adverse effect on the semiconductor industry can be discussed at government-level meetings among the major concerned countries. In particular, policies undermining trade, such as violation of intellectual property rights, market barriers in all countries, and discrimination in terms of tariffs and nationality, should be taken up. All numerical targets, whether direct or indirect, should not be allowed.

Market monitoring that involves the application of political pressure should not be allowed. It will be beneficial for the world semiconductor conference to compile data on trade and production, but such data should not be misused. It will be possible to prevent the misuse of data under a multilateral framework.

In recent years, the EU has been reducing its tariffs on semiconductors. It should be allowed to participate in the major semiconductor nations meeting. U.S. opposition to this is nothing more than a negotiation tactic. An agreement limited to Japan and the United States is unacceptable. Japan and the United States have demanded that the EU abolish semiconductor tariffs to be able to participate in the world semiconductor conference. If the semiconductor issue is resolved satisfactorily, we intend to promote negotiations on the Information Technology Agreement (ITA). Tariffs on semiconductors will be abolished in this process.

Japan: U.S. Said Delaying Access to Telecommunications Market

OW1207064696 Tokyo YOMIURI SHIMBUN in Japanese 11 Jul 96 Morning Edition p 6

[FBIS Translated Text] It was learned on 10 July that the largest international and long distance telephone company in the United States, AT&T, has asked the U.S. Federal Communications Commission not to allow the relatively new Japanese international telecommunications company, International Telecom Japan (ITJ) to start its business of reselling devoted international lines between Japan and the United States.

AT&T opposes ITJ's service from the standpoint of reciprocity; it claims that "the Japanese international communications market is closed, and under a state of oligopoly." Its opposition may very well delay

the commencement of ITJ's resale service. AT&T's objection to a similar application from Kokusai Denshin Denwa (KDD) has already delayed approval for nearly a year after an application was made. The Japanese communications industry is seriously concerned that the fact that an application from ITJ, which has much less influence on the market compared to KDD, is being blocked "may mean that the intention is to exclude Japanese telecommunications companies from the market."

ITJ's plan is to install devoted international lines between Japan and the United States to link the devoted lines its 100 percent-owned subsidiaries are leasing in both countries, and "re-lease (resell)" them in small lots to corporate users and other organizations. Companies will then be able to use cheaper devoted lines between Japan and the United States, and this can cut communications costs.

ITJ wanted to start this service in August. It filed an application with the FCC in May. Last month, AT&T submitted a position paper opposing the application, saying: "The Japanese international telecommunications markets is an oligopoly. ITJ, which also controls the market, is blocking participation in the Japanese market." It is now unclear when the application can be approved.

In August last year, KDD also applied to the FCC for permission to start a similar resale service linking Japan, the United States, the UK, and Germany in March 1996. FCC gave its approval for this service to start in March as scheduled, except for the portion linking Japan and the United States. The Japan-U.S. service is yet to be approved due to AT&T's strong objection, claiming "KDD has strong control over the Japanese market."

However, unlike KDD, which has a more than 60 percent share of the international telecommunications market in Japan, ITJ's share is less than 20 percent. The present case is being perceived as "sabotage by the U.S. side aimed at delaying the participation of Japanese telecommunications companies."

The Ministry of Posts and Telecommunications argues that, "The resale of devoted international lines is 100 percent open to foreign companies in Japan. AT&T has already joined the market. We have also set the period for processing applications at a maximum of 15 days. The claim that we have a closed market is groundless" (according to the Telecommunications Bureau). It intends to ask the FCC to amend its procedures, because the process from application to approval remains ambiguous.

Japan: Ambassador Writes U.S. Lawmakers Over Appropriations Bill

*OW1107134596 Tokyo KYODO in English
1130 GMT 11 Jul 96*

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Japan's ambassador to the United States has written to U.S. lawmakers to express Tokyo's concern over a bill which contains wording that might keep a federal research body from buying a supercomputer from NEC Corp., a senior Foreign Ministry official said Thursday.

The official, who spoke on condition of anonymity, said Ambassador Kunihiko Saito made Japan's stance clear in a letter dated Wednesday to some 50 senators over a 1997 appropriations bill for the National Science Foundation.

The Senate is considering an appropriations bill that includes a section which would prohibit salary payments to personnel who approve a contract for buying any supercomputer determined by the Commerce Department as being sold below fair market price or "dumping."

Although the bill does not specifically mention NEC, the Commerce Department has repeatedly issued warnings to the Japanese firm over dumping. The department has also been tacitly pressuring the foundation to voluntarily drop a supercomputer contract it awarded to NEC in May.

NEC has denied the allegations of dumping.

The U.S. House of Representatives passed similar legislation late last month.

Japan: WTO 'Likely' To Use Third-Party Arbitration in Film Dispute

*OW1207024496 Tokyo KYODO in English
0230 GMT 12 Jul 96*

[FBIS Transcribed Text] Geneva, July 11 KYODO — Japan and the United States wrapped up two-day photographic film trade talks at the World Trade Organization (WTO) on Thursday with disagreement over a U.S. demand Japan scrap barriers to home-market access.

The WTO is likely now to set up an arbitration panel of third-party experts to help reconcile the differences, informed sources said.

During the Geneva meeting, Deputy Assistant U.S. Trade Representative James Southwick, said Japan puts up distribution barriers by intertwining various administrative guidances and two laws that limit the opening of large retail stores and that restrict offering giveaways with products.

The U.S. argues that the Large-Scale Retail Stores Law can block the opening of supermarkets in areas where smaller retailers operate, thereby potentially blocking expanded sales of U.S. film companies because large stores are freer from dominance by large Japanese film companies over small distributors.

The Premiums Law, which limits giveaways and similar promotions, also constitutes a nontariff barrier, the U.S. said, because it restricts U.S. film makers' marketing choices.

Japanese delegates to the Geneva talks rejected the arguments, saying there is no direct link between an increase in large retail stores and expansion in sales of imported film.

WTO dispute settlement procedures stipulate that if two countries in a trade dispute cannot resolve their differences within 60 days, a third-party arbitration panel will be set up to help them reach settlement.

A panel on the film dispute is expected to be formed this fall.

Eastman Kodak Co., upset by what it sees as Fuji Photo Film Co.'s attempts to dominate distributors, lodged a petition last year with the office of the U.S. Trade Representative (USTR) under Section 301 of the 1984 Trade Law, which allows the U.S. to impose sanctions on parties judged to be using unfair trade practices.

After a yearlong investigation, the USTR decided to seek redress on film at the multilateral WTO before invoking section 301 provisions.

Japan: Hashimoto Orders Lawsuit Against Ota in U.S. Bases Dispute

OW1207041996 Tokyo KYODO in English
0405 GMT 12 Jul 96

[FBIS Transcribed Text] Tokyo, July 12 KYODO — Prime Minister Ryutaro Hashimoto on Friday ordered a lawsuit seeking a court order to force Okinawa Gov. Masahide Ota to take legal steps required for the continued use of land for a U.S. Navy facility in Okinawa Prefecture.

Representatives of the Justice Ministry and the Defense Facilities Administration Agency will file the suit with the Naha branch of the Fukuoka high court later in the day, government officials said.

The suit takes issue with Ota's refusal to comply with a request by Hashimoto that he make public papers detailing a government request for the expropriation of a plot of land within the Sobe communications facility in the village of Yomitan in the southwestern island prefecture.

Ota has said he could not comply with the request before a final ruling by the Supreme Court on his appeal against a lower court decision ordering him to sign documents needed for continued rental of other land plots owned by Okinawa residents for use by the U.S. military.

He also has expressed disappointment at the contents of an interim report by a Japan-U.S. governmental panel on how to reduce U.S. bases in Okinawa, saying the report is not satisfactory to the people of Okinawa.

The lease on the 236-square-meter plot owned by Okinawa grocer Shoichi Chibana expired at the end of March, but the government has continued to use the plot for the U.S. Navy facility with no clear legal basis.

The government says the use of the plot can be warranted for national security reasons to abide by the Japan-U.S. security pact.

The Naha branch of the Fukuoka high court is expected to make a decision on the latest case in November.

The course of the case follows the pattern set last year when then Prime Minister Tomiichi Murayama asked Ota to sign documents for the land in question.

Ota refused and did not comply with a following high court order and appealed the decision to the Supreme Court.

Hashimoto has also asked Ota to cooperate in renewing leases on land plots inside 11 U.S. military facilities in Okinawa Prefecture and to make public a government request as required by law for the expropriation of the land plots by July 19.

The forced leases on land totaling some 129,000 square meters owned by some 3,000 local residents, most of whom oppose the forced contracts, will expire next May.

Ota is expected to refuse that request as well.

If that is the case, Hashimoto will file a suit with the High Court branch in Naha against the prefectural government to force the governor to comply.

People in Okinawa have long complained about the concentration of U.S. bases on the island prefecture, which hosts about 70 percent of U.S. military facilities in Japan in terms of land space, although it accounts for less than 1 percent of Japan's total land area.

Resentment against the U.S. military has grown since last September when a local schoolgirl was raped by three U.S. servicemen. The servicemen are serving prison terms.

Japan: Poll Shows 60 Percent in Iwakuni Oppose U.S. Base Shift

*OWI207053396 Tokyo KYODO in English
0459 GMT 12 Jul 96*

[FBIS Transcribed Text] Yamaguchi, Japan, July 12 KYODO — More than 60 percent of the residents of the western Japanese city of Iwakuni are opposed to the transfer of U.S. military facilities from Okinawa Prefecture to the Iwakuni base, according to a survey released Friday.

The city in Yamaguchi Prefecture and prefectoral labor unions surveyed some 20,000 households in June, and 1,910 people responded to the questionnaire about the U.S. military presence in Japan and plans to relocate to Iwakuni an U.S. airborne refueling group now stationed at Putenma air station in Okinawa Prefecture.

Of the respondents, 62 percent said they oppose the proposed relocation because it would strengthen the local base and "dangerous incidents would increase," while about 42 percent said the U.S. military presence in Iwakuni should cease or be reduced.

However, 16 percent of respondents said the relocation of the facilities must be accepted for the sake of relieving some of the burden on people in Okinawa, and 14 percent said it would not mean the Iwakuni base being strengthened.

Tokyo Facing Difficulty Enacting Land Expropriation Law

OWI107140696 Tokyo YOMIURI SHIMBUN in Japanese 9 Jul 96 Morning Edition p 2

[FBIS Translated Text] The government has been promoting behind the scenes its study on enacting special legislation to accelerate procedures for forced use of land for the U.S. Forces Japan [USFJ]. Concerning the legislation's content and coverage, various miscalculations have now come to the forefront. In his 8 July speech at the Foreign Correspondents' Club of Japan in Tokyo, Defense Agency [DA] chief Hideo Usui touched on the issue that the leases on military-occupied land, including Kadena Air Base and owned by about 3,000 people, will expire next May, and said: "If Okinawa Governor Masahide Ota refuses to execute Prime Minister Ryutaro Hashimoto's order, it will be impossible for the government to acquire the authority for the land use by May. Therefore, now is the time for the government to work out measures to be taken in the future." In this way, he indicated the government's intention to urge its study on the special legislation. However, the present situation is that there are many problems to be solved for the government in efforts to promote the new

law while winning understanding of the Social Democratic Party [SDP] and others.

In his speech, Usui cited two controversial points concerning the existing special law on land expropriation for the USFJ. He pointed out that there is no deadline for the length of the trial held by the [local] expropriation committee, and that the prime minister will have no choice but to bring a lawsuit against a local government when a governor refuses to fulfill their duty under the system of assigning state functions for land expropriation to local authorities, such as proxy signing procedures and public notifications and circulations. Regarding these points, the government's study on the current system is now underway in terms of both readjustment and drastic review.

In connection with restricting the trial period, as for the special law on land expropriation for public facilities, such as highways and airports, it has been decided that the Construction Ministry may give decisions, acting for the expropriation committee if it makes no decision within two months. It has now been decided to incorporate this system in the special law on land expropriation for the USFJ. Moreover, the government is studying setting up an administration committee consisting of men of learning and experience in place of municipal government expropriation committees, thereby enabling the administration committee to take over the procedures to give rulings.

Meanwhile, the government has studied two proposals on proxy signing procedures and public notifications and circulations. When a governor refuses to take those procedures, one proposal allows the prime minister to take over the procedures without a lawsuit. The other allows the national government to directly fulfill necessary duties without identifying them as duties under the system of assigning state functions to local authorities.

In both, it is obvious that the drastic review of the law makes it easier to accelerate the procedures. However, it is also inevitable that the SDP opposes such measures, referring to them as "an exercise of state power." For this reason, it will be necessary for the government to "be armed with theory." For example, the government may need to position those measures as a part of schemes to review the system of assigning state functions to local authorities in view of promoting decentralization.

Besides this controversial point concerning the special legislation's contents, what has been a major focal point is to what extent legislation coverage should be expanded.

At the recent talks with senior Liberal Democratic Party (LDP) members on enactment of the special legislation, Chief Cabinet Secretary General Seiroku Kajiyama said: "The government does not intend to enact the new law in terms of measures to deal with the Okinawa government and people but rather in terms of national security." In this way, he indicated the government's intention that the new law will be comprehensive, noting it will also cover Self-Defense Forces (SDF) facilities. This remark shows that by not limiting the special legislation's coverage to land expropriated for the USFJ, the government intends to "avoid giving the impression that the legislation will be enacted to snipe at Okinawa Prefecture, which does not comply with the government's demand to take procedures needed for forced use of land for USFJ on Okinawa" (as stated by a senior LDP National Defense Division member). Moreover, it is observed that the government intends to create a circumstance that helps the SDF set up its position in case of emergencies.

On the other hand, the DA and some other authorities take a cautious attitude in such government intentions, noting that "it is possible that the SDF will be unjustly suspected of attempting to expand its bases by taking advantage of the special legislation" (according to a DA source). Since many SDF facilities are located on national land, the government has never compulsorily used nor expropriated private land. Therefore, the DA and some other authorities believe that it is easier to promote coordination among the ruling parties without a hitch if the special law is enacted as "unavoidable urgent legislation" by limiting the coverage of the legislation to land expropriated for U.S. facilities.

Japan: Article Studies PRC View of Tokyo at Talks With Lake

OWI107140896 Tokyo YOMIURI SHIMBUN
in Japanese 11 Jul 96 Morning Edition p 17

[Article by Masahiko Sasajima of YOMIURI SHIMBUN's Beijing Bureau]

[FBIS Translated Text] U.S. presidential assistant (in charge of national security) Anthony Lake, who is currently visiting the PRC, and Chinese key men discussed the Japan-U.S. joint declaration on security at a series of talks. It is very exceptional that the United States and China have taken up the Japan-U.S. security arrangements at the bilateral talks, and this verifies the recent strained relations between Japan and China.

At a meeting with Chinese Foreign Minister Qian Qichen, Chairman Liu Huachi of the State Council Foreign Affairs Office, and other Chinese Government officials, Lake said, "the Japan-U.S. security alliance is

not a threat to any particular country. Asian countries positively evaluate and welcome it." He then explained in detail the significance of the Japan-U.S. joint declaration on security issued in April. However, China was dissatisfied with Lake's explanation, and expressed its suspicion that Japan will become a military superpower, quoting the history of Japan's invasion of China. China is directly and indirectly involved in three buds of "regional conflicts" in the East Asia, Korean Peninsula, Taiwan issue, and the sovereignty over the Spratly Islands. Therefore, how to handle China in regional situational analysis was the biggest issue in preparing the Japan-U.S. joint security declaration. Giving consideration to China, the declaration says "it is important for China to play a positive and constructive role" in the Asia-Pacific region.

Despite such efforts, Chinese sentiments toward Japan have sharply turned critical since April. The "Japan-U.S.-China triangle" is a framework of great importance in the post Cold War era, and the U.S.-China relationship is about to take a turn for the better. In contrast to their relations, the Japan-China relationship has been strained with the approach of another Chinese nuclear test.

A Chinese military source said: "During the Cold War era, the Japan-U.S. security system had a duty to deal with Soviet threats. But after the end of the Cold War it lost that role. Yet, Japan and the United States are trying to extend the scope of application of their security treaty to cover the Asia-Pacific region. Why? This is because China is involved in three regional conflicts in East Asia, and because they regard China as an enemy."

Such a peculiar view by Beijing appears to be attributable to its concern that the Japan-U.S. security arrangements may be used to support U.S. intervention in the Taiwan issue, Japan's protest against China's nuclear testing, and the issue of past history, which has imposed psychological pressure on the Chinese leadership.

In its 20 June commentary, "RENMIN RIBAO," the CPC's official paper, severely criticized Japan for its potential to become a nation armed with nuclear weapons, describing it as a "quasi-nuclear power." According to a source, RENMIN RIBAO once decided to cancel this article because of Prime Minister Ryutaro Hashimoto's announcement that Japan would not review its fourth set of yen loan programs for the PRC.

However, following a Diet resolution adopted at both the lower and upper houses against China's nuclear tests, the paper printed the article after abbreviating it. It is said that "the article is aimed at keeping Japan's protests in check."

The Japanese Embassy in Beijing complained about the article, saying: "It hurts the Japanese people's feelings." However, the Chinese side replied: "The article reflects a common view among Chinese leaders."

On 8 July, Japanese Ambassador to China Yoshiyasu Sato unofficially met with Qian Shugen, deputy chief of general staff of the People's Liberation Army, in Beijing. During the meeting, Sato told Qian: "The Japan-U.S. security declaration is not aimed at expanding the scope of application of the bilateral security treaty," and "there is a misunderstanding on the Chinese side. It is necessary for the two countries to promote defense exchanges." However, Qian merely said: "I will bear in mind what you have said." It will not be easy for Tokyo to change Beijing's views toward Japan in the security sector.

A U.S. source accompanying Lake on his China trip explained why President Clinton hoped to visit the PRC next year. He said: "Next year marks the 25th anniversary of former U.S. President Richard Nixon's visit to China in 1972, which was made as a result of Kissinger's diplomacy." He thus pointed out that next year is a "milestone year."

According to a U.S. Commerce Department source, Clinton's visit aims to put the framework of strained U.S.-China relations under supervision in line with the U.S. "involvement policy" of urging China to participate in the international community.

Next year also marks the 25th anniversary of the normalization of diplomatic ties between Japan and China. To remove mutual misunderstanding, the two sides should have frank talks. Also, Japan will need to make tenacious efforts to make known its new security policy.

Japan: Papers View Anthony Lake's China Visit

OW1107141296

[FBIS Report] Tokyo ASAHI SHIMBUN in Japanese on page 9 of its 10 July Morning Edition carries a 750-character report on 9 July meetings in Beijing between U.S. National Security Adviser Anthony Lake and Chinese leaders, including President Jiang Zemin and Premier Li Peng. The report says Beijing's emphasis in the meetings on the need to establish a stable relationship between the two countries indicates that the PRC wants to build up new relations with the United States. It cites a Chinese media report quoting Premier Li as saying: "For the development of and cooperation between Chinese and U.S. corporations, the two governments should provide a favorable political environment," noting that China considers that bilateral cooperation in various sectors will benefit both sides. The report, however, says:

"It will be impossible to establish a stable relationship if the Taiwan issue becomes complicated." It quotes a Chinese Foreign Ministry spokesman as stating after the meetings that "Beijing has repeatedly asked the United States to cautiously and properly deal with the Taiwan issue to prevent the problem from becoming an obstacle to bringing stability and development to bilateral relations." The report refers to the recent U.S. decision to export a large quantity of tanks to Taiwan and notes that although the PRC hopes to improve ties with the United States, it is dissatisfied with the U.S. arms exports to Taiwan.

Tokyo YOMIURI SHIMBUN in Japanese on page 5 of its 10 July Morning Edition also carries an 850-character report on the U.S.-PRC meetings. It says the greatest achievement of Lake's visit to China is that Chinese leaders and he confirmed that "a constructive and strategic relationship between the United States and China" is imperative for maintaining international order. Lake's remarks describing China as a "great country" and a future partner is in line with Beijing's policy toward the United States, which is based on the principle of mutual trust and benefits, thus earning Beijing's high appraisal, the report says. It says Lake's China visit has paved the way for improving bilateral relations. However, it notes that the Chinese leadership is worried that if friction between the two countries intensifies prior to the U.S. presidential election, the anti-China sentiment within the United States will boil up, creating further difficulty for mending bilateral relations. The report says there is no doubt that behind Beijing's soft stance toward the United States, observed during the meetings with Lake, lies its consideration for the U.S. presidential race. It then concludes that it will take a long time for the two countries to lay the groundwork for improving their ties.

Tokyo SANKEI SHIMBUN in Japanese on page 5 of its 10 July Morning Edition carries a similar 800-character report. It says although Lake's visit to China has prevented the bilateral ties from continuing to worsen over the Taiwan issue, the two sides will likely be forced to carry out "tightrope walking-like diplomacy" for the time being because of their disagreement over the Taiwan issue and other problems. However, the report notes that Beijing's recent attitude toward the United States is apparently different from the severe tone it adopted following Taiwan President Li Teng-hui's visit to the United States in June of last year and when the bilateral ties strained in March over China's large-scale military exercises in the Taiwan Strait. Yet, citing the two countries' discord over weapons exports and trade and human rights issues, the report indicates that there will be difficulty in improving U.S.-China relations. It

then says the timing of a visit to Washington by Chinese Defense Minister Chi Haotian, who has canceled his planned trip to the United States twice in connection with the Taiwan issue, will give a hint on whether or not the two countries will be able to improve their ties.

Japan: SDP's Sato Talks With Li Peng About Nuclear Testing, DPRK

*OWI207122696 Tokyo KYODO in English
1205 GMT 12 Jul 96*

[FBIS Transcribed Text] Beijing, July 12 KYODO — Kanju Sato, Secretary General of Japan's Social Democratic Party (SDP), in a meeting Friday with Chinese Premier Li Peng, expressed concerns over China's nuclear testing, SDP officials said.

Sato also called on Beijing to help to promote peace on the Korean peninsula, the officials said.

Sato later told journalists that he asked Li to encourage North Korean participation in proposed four-nation talks to replace the 1953 Korean armistice agreement with a new peace mechanism.

Li, however, replied that North Korean participation in talks with China, the United States and South Korea depended on Pyongyang's attitude toward such talks and not on China's insistence, he said.

While Beijing has not committed itself to the talks, it has expressed an interest in them, although North Korea has not responded to the U.S.-South Korean proposal made earlier this year.

Li further reiterated that China would end nuclear testing following a final test this fall, but refused to accept Sato's demands for an immediate end to nuclear testing and also responded negatively to a suggestion that Asia should set up a security structure similar to that in place in Europe, Sato said.

The SDP is a partner in Japan's tripartite ruling coalition, which also include Prime Minister Ryutaro Hashimoto's Liberal Democratic Party and New Party Sakigake.

Japan: Editorial Assesses Significance of Lake PRC Visit

OWI207124996 Tokyo MAINICHI SHIMBUN in Japanese 12 Jul 96 Morning Edition p 5

[Editorial: "We Look Forward to the Strategic Dialogue"]

[FBIS Translated Text] The United States and the PRC have begun to take serious steps to restore bilateral relations, which have worsened since Taiwan President Li Teng-hui visited the United States in June last year.

With the visit of U.S. Presidential Assistant (in charge of national security) Anthony Lake to China, the two countries agreed to engage in a "strategic dialogue" taking the 21st century into perspective. They have also agreed to work for "an exchange of visits by the heads of state in 1997."

The fact that since President Bill Clinton took office, the relationship between these two great powers of the Asia-Pacific region has been in an abnormal state, under which there has not been an exchange of visits between the top leaders of both countries, is not good for peace and stability in the region. Recently, nationalistic sentiments have been on the rise in China, particularly among the younger generation, as seen in the publication of a book entitled "A China That Can Say No." For Japan, strategic dialogue between the two countries should be welcome progress.

During the present visit, Lake stated that "a unified and strong China is in the United States' national interest." For the first time, the United States indicated approval of the policy of "enhancing trust, reducing conflicts, developing cooperation, and nonconfrontation," which was advocated by Deng Xiaoping and proposed by President Jiang Zemin in 1993.

In concrete terms, the two countries will begin with a strategic dialogue, and Vice President Al Gore is expected to visit the PRC at the invitation of Premier Li Peng after the U.S. presidential election in November. A visit to China by President Clinton may occur as early as the beginning of 1997. The Chinese side seems to understand that with the once-every-four-years U.S. presidential election to be held this year, it would be difficult for the President to visit before the election.

During the election campaign four years ago, Clinton, who was in the challenger's position, won the election with his criticism of incumbent President George Bush's weak-kneed policy toward China. For this reason, for a time, China's most-favored-nation treatment was linked to the human rights issue, and the United States took the attitude of refusing to grant most-favored-nation status without any progress in human rights. However, partly due to pressure by the U.S. business sector, which is anxious to make inroads into the enormous Chinese market, the most-favored-nation status had to be separated from the human rights issue eventually.

With regard to the Taiwan problem, which is the thorniest issue in U.S.-China relations, the United States seems to have begun to understand what are the taboos for the PRC after observing the reaction of China following President Li's visit to the United States. Subsequently, the Clinton administration repeatedly professed its position of upholding the policy of "one China," and

not supporting Taiwan's independence and its membership in the United Nations.

The U.S. Congress, which approved President Li's visit to his alma mater, Cornell University, last year, has so far not been observed make any moves to invite Li to come to the United States for another visit, despite the fact that Li has become the first elected president in Taiwan.

There are a number of pending issues between the United States and China aside from the human rights question, such as intellectual property rights, upon which they have reached a preliminary agreement recently, the PRC's membership in the World Trade Organization (WTO), and the issue of China's export of nuclear technology to Pakistan and other countries. However, precisely for this reason, there is a need for frequent exchanges and discussions between the top leaders of both countries.

The same thing is true for Japan-China relations. During Lake's visit, China expressed serious concern about the recent Japan-U.S. joint security declaration. The Japan-U.S. agreement on preparing for "contingencies in the Far East" should not have the ironic effect of sowing seeds of distrust in the region. With regard to nuclear testing, China seems to have its own reasons. It is important for the top leaders to engage in candid discussions. Prime Minister Ryutaro Hashimoto visited Japan's neighbor, the ROK "in a cavalier manner." He should also visit China in the same way to enhance mutual understanding from a strategic standpoint.

Japan: Police Say Car Driven Into ROK Embassy in Tokyo

OW1207104896 Tokyo KYODO in English
0901 GMT 12 Jul 96

[FBIS Transcribed Text] Tokyo, July 12 KYODO — A car driven by a man believed to be a right-wing organization member slammed into the main gate of the South Korean Embassy in Tokyo on Friday and a blaze ensued, police said.

The driver of the car, Shinichi Sogame, 28, is being held on suspicion of property damage and igniting a fire with malicious intent, police said.

No embassy personnel were injured in the incident that occurred a little after 2 P.M., police said, adding that the fire did not spread beyond the scene of the crash.

Sogame drove at high speed in front of the embassy, turned and slammed his car into the gate, police said.

He then backed up, stopped and appeared to spread gasoline from a bottle over the car and set it afire, according to police.

Police said they found scores of handbills in the car concerning the territorial dispute between Japan and South Korea over a group of islets — known as Takeshima in Japan and Tokio in South Korea — in the Sea of Japan and police suspect the territorial row as the motivation for the car attack.

Sogame is in police custody.

Japan: Hashimoto Not To Attend Yeltsin's Inauguration

OW1107134396 Tokyo KYODO in English
1306 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Prime Minister Ryutaro Hashimoto will not attend the Aug. 9 inauguration ceremony for reelected Russian President Boris Yeltsin, and Japanese Ambassador to Moscow Koji Watanabe is likely to take part instead, a senior Foreign Ministry official said Thursday.

The official said Russia has reportedly invited to the event high-ranking delegations from former Soviet Republics and ambassadors from other countries.

On Tuesday, Hashimoto said he hoped to attend the ceremony, but on Wednesday he ruled out going to Moscow on Aug. 9 because it will be the 51st anniversary of the former Soviet Union's breaking of a bilateral nonaggression pact with Japan.

Yeltsin was reelected in a July 3 presidential runoff, beating Communist Party Leader Gennadiy Zyuganov.

Japan: Grenada's Premier Asks Hashimoto for Infrastructure Aid

OW1107121796 Tokyo KYODO in English
1004 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Grenada Prime Minister Keith Mitchell asked Japan on Thursday for financial assistance to improve the Caribbean nation's infrastructure in such fields as arterial roads and fisheries, a Foreign Ministry official said.

In a 30-minute meeting with Prime Minister Ryutaro Hashimoto, Mitchell requested yen-denominated loans for highways and grants-in-aid to help fishing villages.

Hashimoto said Japanese research missions will go to Grenada to study the feasibility of such assistance, adding he believes they will bring back positive recommendations.

The Japanese leader thanked Grenada and many other Caribbean countries for supporting Japan's bid to gain a nonpermanent seat in the UN Security Council this fall.

Mitchell, who concurrently serves as foreign minister, also urged Japan to support Grenada in a banana trade row with the United States.

The World Trade Organization (WTO) has set up a panel, of which Japan is a member, to discuss a U.S. complaint over low tariffs on European imports of Caribbean, African and Pacific bananas.

Hashimoto advised Grenada to submit figures and other evidence to prove the trade practice does not violate WTO rules.

Mitchell is the first Grenada prime minister to visit Japan in the past 20 years. He arrived in Tokyo on Wednesday for a three-day stay.

Tokyo Offers 10 Billion Yen in Aid to Cambodia

*OW1207062396 Tokyo KYODO in English
0524 GMT 12 Jul 96*

[FBIS Transcribed Text] Tokyo, July 12 KYODO — Japan on Friday pledged up to 10 billion yen in economic aid to Cambodia, plus \$2.5 million to help clear land mines there, Foreign Ministry officials said.

Japan made the pledge at the close of a two-day international conference on economic assistance to Cambodia that brought together representatives of 16 countries and five international lending institutions.

The economic aid package consists of up to 8 billion yen in grants and 2 billion yen in technical assistance, the officials said.

Of the aid, 2 billion yen will be extended for use as Cambodia sees fit, 600 million yen to boost food output, 1.27 billion yen to develop communication systems and 1.35 billion yen to improve facilities at national broadcasting stations, they said.

The \$2.5 million will be part of assistance from the international community totaling 16 million dollars for 1996-1997 for the clearing of land mines still buried in the Cambodian countryside that kill and maim thousands every year.

The international donors' meeting, co-chaired by the Japanese Government and the World Bank, was held to discuss Cambodia's request for an additional \$940 million for economic reconstruction.

The consultative group is the successor to the international committee on the reconstruction of Cambodia, which organized pledges of support for Cambodia after

a general election there in May 1993 under UN supervision.

The Cambodian delegation is led by first Prime Minister Norodom Ranariddh and Second Prime Minister Hun Sen.

Japan: Hashimoto Meets Tunisian President, Pledges Aid

*OW1107122196 Tokyo KYODO in English
1127 GMT 11 Jul 96*

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Japan will extend a low-interest loan of up to 17.33 billion yen to Tunisia to finance four infrastructure and farming projects in the country, Prime Minister Ryutaro Hashimoto said Thursday.

He made the pledge in a meeting with Tunisian President Zine el Abidine Ben Ali, who has been visiting Japan as a state guest since Tuesday, Foreign Ministry officials said.

The yen-denominated official credit will be used to improve sewage systems, repair and build irrigation facilities, and build a dam for water resource development, the officials said.

The Tunisian President will leave Tokyo on Friday.

Later in a banquet, Hashimoto praised Tunisia's economic structural reform, liberalization and the promotion of domestic welfare.

"I very much hope that your country will further succeed in its development, which also has a significant bearing on stability and prosperity in North Africa and the Middle East," Hashimoto said in a speech.

"Japan intends to do whatever it can to continue its cooperation to that end," he said.

In response, Ben Ali delivered a speech saying, "we applaud your balanced attitude toward the world's political problems, particularly the support you give to the Middle East peace process and to Arab causes."

"We are convinced that Japan is capable of playing an effective role on the international scene and the UN agencies," the president said.

Ben Ali also called for more Japanese investment in his country, boosting of bilateral trade and widening of cooperation in such fields as science, technology and environment.

Japan: Poll Shows Rise in Approval for Hashimoto Cabinet

*OW1207041396 Tokyo ASAHI SHIMBUN
in Japanese 10 Jul 96 Morning Edition p 2*

[FBIS Translated Text] ASAHI SHIMBUN conducted a nationwide public opinion survey on the present cabinet led by Prime Minister Ryutaro Hashimoto on 7-8 July. Results show that 47 percent of the respondents approved of the Hashimoto cabinet, while 34 percent disapproved. Although the results show the people's strong dissatisfaction with the government's policies, such as the consumption tax hike, the approval rate increased from the last rate at 44 percent in May thanks to the substantial stratum of supporters of the Liberal Democratic Party [LDP]. Moreover, regarding the dissolution of the House of Representatives to hold a general election, 33 percent of the respondents believed that "the general election should be held as soon as possible," while 55 percent stressed "no need to urge."

In the survey taken in February, the approval rating of the Hashimoto cabinet was 47 percent. The rate slightly decreased in May, but it picked up again this time.

Focusing on the supporters for each ruling party, the approval rate of the Hashimoto cabinet by LDP supporters was 69 percent, marking the highest among the three parties. Meanwhile, the approval rating by supporters for both the Social Democratic Party and New Party Sakigake was merely 41 percent. Judging from the supporters for each party, the result appeared to prove an almost one-party cabinet by the LDP.

With regard to the reasons for approving of the cabinet, 13 percent of the respondents said "because the prime minister is from the LDP," and the other 13 percent approved for "identifiable" reasons. Concerning those who disapprove, 15 percent cited the reason "from the viewpoint of policies."

Asked to pick one choice from 10 answers about the Hashimoto cabinet's good points, 20 percent of the respondents pointed out "the prime minister's political stance." Following that, those who chose "foreign and defense policies" remarkably increased to 17 percent from 14 percent in May.

Meanwhile, asked to choose one bad point, 23 percent of the respondents picked "tax system," marking the highest rate, with a rise from 16 percent in May. It is observed that the government's decision on the consumption tax hike had serious effects on the result.

Those who chose "no need to urge" the dissolution of the House of Representatives for a general election increased to 55 percent, up from 51 percent obtained in the May survey. Asked the reasons, most said that

"the political situation will not be improved even if the election is held." The second most popular answer was that "priority should be given to the economic recovery."

Japan: Article Discusses Timing of Diet Dissolution

*OW1107120396 Tokyo ASAHI SHIMBUN
in Japanese 9 Jul 96 Morning Edition p 2*

[Unattributed article, first of a three-part series: "Sand-glass for Diet Dissolution — Six-Month Old Hashimoto Administration": "Fate, Coalition in Disarray in Face of Election"]

[FBIS Translated Text] "Although a move toward forming a 'Hatoyama-Funada New Party' is drawing the attention of political circles, I wonder if they want to create a new party within the current coalition framework or if they want to form one that is far distant from the coalition. So, of course, the way we deal with a new party depends on the direction the new party will take."

In a Lyons hotel room on the morning of 30 June, Prime Minister Ryutaro Hashimoto, who looked relaxed after the completion of all the programs for the meetings of major industrial nations (summit), gave this response to reporters' questions about a plan of Sakigake Secretary General Yukio Hatoyama to create a new party.

Caution Against New Party

Though the tone of his remarks was soft, the prime minister frankly expressed the apprehensions bothering him since April.

Attention is focused on whether the new party will remain in the ruling parties coalition led by Hashimoto or leave the coalition soon after its formation to become an opposition party with an eye on the next general election. "The Liberal Democratic Party [LDP]-Social Democratic Party [SDP]-Sakigake" coalition framework, which gave birth to Prime Minister Hashimoto, will be shaken depending on the new party's moves.

About one month ago, on the afternoon of 22 May, the prime minister confided in LDP General Council Chairman Koko Sato, who visited his official residence.

"Last night, I indirectly held Hatoyama's move in check by telling him that 'I have promised to give a few months grace period (before the dissolution of the House of Representatives) so that both the SDP and Sakigake can have enough time to prepare for the general election,' however, ... anyway, we have to watch out for his next move."

The night before, the prime minister dined for the first time with general secretaries from the three ruling par-

ties, including Mr. Hatoyama. He made clear-cut remarks: "The current coalition framework is the best match. Let us maintain the 'LDP-SDP-Sakigake' framework even after the general election." Mr. Hatoyama felt that "the prime minister is wary of a new party." Meanwhile, the prime minister asked Sakigake head Take-mura: "How is Hatoyama's plan going?" thus feeling him out to see how the new party plan is going.

Uncanny Being

Given the current political situation, the prime minister's concern keeps growing.

Last autumn, the LDP pushed up Mr. Hashimoto to the highest position as party president with the aim of restoring the "powerful LDP" and reviving one-party rule by the LDP. When Hashimoto became prime minister on 11 January after former Prime Minister Tomiichi Murayama's sudden resignation, hopes for a "genuine cabinet with strong leadership" prevailed within the LDP. However, the prime minister still refrains from demonstrating LDP politics.

This is mainly because of the next general election to be held under the new electoral system, in which "none of the parties has confidence of winning a majority" (according to LDP Secretary General Koichi Kato). Given this situation, the LDP, which is in mortal fear of falling from power, has no choice but to keep the "coalition" framework. The prime minister once said that the LDP keeps the framework "unless both the SDP and Sakigake say: 'That is enough, we break off our relations with the LDP.'" These remarks reflect the fact that the LDP has had no choice but to rely on the LDP-SDP-Sakigake line, which the LDP considers the best assured framework, and it has been natural for the LDP to think so.

However, cracks are beginning to show in the SDP. "When the election draws near, a political party has to show its own colors," SDP Policy Board Chairman Shigeru Ito said in a Tokyo lecture in late May, stressing that the emergence of disarray in the coalition government in the face of the general election is the course of nature. He added: "If the LDP colors grow deep in the Hashimoto cabinet, we will be questioned as to how long we keep the current coalition framework." In fact, the issue concerning the U.S. military's occupation of Okinawa land is beginning to become an uncanny being.

Coalition Born With Contradictions

When the Hashimoto administration was born, it was filled with contradictions. Mr. Murayama gave up power, pinning his hopes on the SDP's survival in

the general election. Sakigake has the same position on the election. A change of power was a signal for both the SDP and Sakigake to simultaneously start dashing toward the general election after the dissolution of the lower house and prepare for political realignment, which may be seen before or after the election. Prime Minister Hashimoto was forced to carry fate to push his way through the coalition partners toward the general election in the midst of the coalition government's growing cohesive power while solving one by one issues left by the former government.

Those close to the prime minister have recently disclosed that the prime minister has come up with a strategy of "showing a bold front as much as possible depending on the election results" while basing the strategy on the current coalition framework.

LDP Secretary General Kato said: "The prime minister is tasked to deal with issues regarding the economic condition, the military bases on Okinawa, and administrative reform. These are only tasks he has to deal with." Nevertheless, what can be heard from the prime minister and those close to him is merely their desire to come to grips with such issues.

The prime minister is looking closely at the development of the situation while devoting himself to playing a role in dealing with the political task as the prime minister "who is well versed in policies." A sandglass is ticking the time toward the Diet's dissolution.

Japan: Takeshita's Influence on Hashimoto Reported

962B0079A Tokyo *SEIKAI SHUNJU* in Japanese
Apr 96 pp 36-41

[Article by Asao Yamaguchi, political commentator: "Takeshita's Secret Deals Rumored"]

[FBIS Translated Text]

Government Position on Housing Loan Companies (Jusen) Issue Relates to Potential Dissolution of Diet

Unlike the Murayama government days, the Hashimoto cabinet has resulted in the elimination of a distorted phenomenon in that the latter involved the appointment of a prime minister who is the president of a leading political party. The public is keeping an eye on the Hashimoto cabinet with considerable hope, but the housing loan companies (jusen) issue on which much opposition has been voiced by the public weighs heavily on the situation.

The question is, is the "jusen" issue going to be settled in accordance with the original plan presented by the government and ruling parties? Are they going to suspend

the 685-billion-yen fiscal funding or, will funding be deleted entirely as demanded by the opposition parties? It is a situation which defies conjecture, but although suspension may take place, it appears total deletion of funds will not take place.

Public interest in the matter is one factor, but an issue which seems to have complicated any disposition of the "jusen" issue is the looming potential for a Diet dissolution and general election. It is a case where any action on the "jusen" issue must be carefully handled because of public reaction that can affect elections.

There is no doubt that logic is explicit in the question, "why is there a need to use tax revenues to provide relief for private-sector firms facing bankruptcy?" Such arguments are far more persuasive than the logic stressed by the government saying, "We must maintain financial order."

LDP [Liberal Democratic Party] Secretary General Koichi Kato, who appeared as a witness at the Lower House Budget Committee, testified, "If the soundness of the agricultural cooperatives' (Nokyo) operations comes into question, there is the likelihood of a run on Nokyo deposits which will be diverted to local credit unions, credit associations, and postal savings, creating a serious problem," and suggested indirectly the possibility of a major impact on Nokyo finances.

We cannot deny that the disposition proposed on the "jusen" issue, when viewed objectively, strongly suggests protection of Nokyo interests. Kato played a significant role in the development of a disposition plan for the "jusen" issue as the secretary general of the LDP. He was called as a witness because of such involvement.

Kato is currently ranked as a new leader. He is referred to as part of the YKK trio including himself, Taku Yamasaki, Policy Affairs Research Council chairman, and Junichiro Koizumi and is a key figure in the policy group known as the "Shinseiki Group."

He was born in June 1939. His father, Seizo Kato, was a Dietman and Koichi was the fifth son. In his third year of middle school, he transferred to Koji-machi Middle School and proceeded therefrom to Hibiya High School and subsequently graduated from the law school at Tokyo University. In 1964, he joined the Ministry of Foreign Affairs, was assigned to the Japanese Embassy in Washington, D.C. in 1966, and earned a master's degree at Harvard University in 1967. He literally underwent grooming as a promising careerist, but in 1971 he resigned from the Ministry of Foreign Affairs at the age of 32 and began preparations to become a candidate for the lower house. He ran successfully

in the December 1972 general elections and has won reelection on seven successive occasions.

When the Ohira cabinet was installed in December 1978, he was appointed as a deputy chief cabinet secretary considered as a gateway to a promising political future. He served for two terms in that capacity, indicating that he possessed much potential.

Newness of Kato and Yamasaki.

However, although he has served as director general of the Defense Agency and chief cabinet secretary in the Miyazawa cabinet, he has been referred to a "Norin [Agriculture-Forestry] zoku" (zoku — a group of Diet members who exercise in a particular field policymaking expertise and contacts generally acquired through service as chairman or vice chairman of the appropriate party policy deliberation committee) because of his services as Rural Subcommittee chairman and General Agricultural Policy Research Council chairman in the LDP. On the other hand, unlike Norin zoku of the past who concentrated on struggles to maintain rice prices at a high level, he is referred to as a "Shinseiki [New Agricultural Policy] zoku" because of his pursuit of new agricultural policies and has been a focus of attention along with Tsutomu Hata of the New Frontier Party.

In contrast to Kato's popularity among junior and core Diet members within the former Miyazawa faction, Yohei Kono enjoyed the support of senior and veteran Diet members, creating what was once referred to as the "KK war" within the former Miyazawa faction.

The "Shinseiki Group" was created with a goal of breaking down control by the old Keiseikai and replacing the old generation with the younger generation. Destruction of the old Keiseikai most likely had Ichiro Ozawa in mind.

Kato was placed in a very delicate situation during the LDP presidential election of September 1995. The reason is that the then-LDP President Kono was a member of the former Miyazawa faction. Kato could not openly confront Kono. However, since hardly any solidarity had been left in the faction, the core junior Dietmen who supported Kato decided to support Hashimoto. One of the reasons why they strayed away from Kono is that the LDP had lost to the New Frontier Party in the proportional representation race for the House of Councillors election in July. The slogan calling for a "party president who can win elections" was appealing to many junior Dietmen. Such propensities underpinned the prevailing party view and Kono faced the predicament of giving up on the party presidential election.

Kato was appointed as party secretary general under LDP President Hashimoto with the awareness that he

symbolized newness which could be a key in dealing with the next general election. Appointment of Kato as secretary general and Taku Yamasaki of the YKK as Policy Affairs Research Council chairman seems to have signaled a quick shift to the younger generation.

Former Prime Minister Exercises Influence

However, the birth of the Hashimoto government caused a change in the situation. Seiroku Kajiyama, who could be referred to as the representative of the older generation, was appointed chief cabinet secretary and now that the common view is that former Prime Minister Yasuhiro Nakasone recommended Kajiyama as chief cabinet secretary, the interpretation is that his appointment symbolized a counteroffensive on the part of the older generation.

Nakasone, who thus demonstrated his influence over Prime Minister Hashimoto, in a speech sponsored by the press agencies declared, "It is desirable to dissolve the coalition government before the general elections and to form a Ho-Ho Rengo [an alliance between two conservative forces] after the general election." A Ho-Ho Rengo has been a cherished view of Nakasone, but his statement was nothing more than a rejection of the current LDP-Social Democratic Party (SDP)-Sakigake coalition.

Nakasone's statement became an issue at an LDP directors' meeting.

Aside from severe criticism voiced by Hiromu Nonaka, LDP assistant secretary general, who said, "Nakasone can join the New Frontier Party, a chorus of criticism was voiced against Nakasone, such as, "There's got to be something wrong with him for talking about forming a government with the New Frontier Party just when we are planning to compete against the party during elections."

Even Chief Cabinet Secretary Kajiyama once advocated an "Ho-Ho Rengo," but he has recently modified that to a "Ho-Ko Rengo [alliance between conservative party and an individual]," but basically seems to be not too divergent from the ideas embraced by Nakasone. Kajiyama's perceptions are also shared with those held by senior, veteran dietmen of the LDP.

In contrast, members of the "Shinseiki Group" have deliberately approached members of the SDP and Sakigake. Junichiro Koizumi is making the ostensible moves, since Kato and Yamasaki cannot make their moves obvious because they occupy key executive positions in the party.

Already, among Sakigake Party members a total of six have decided to join the Shinseiki including Asahiko

Mihara, Susumu Yanase, Satoshi Arai, Fumihiko Igashira, Sakihiro Ozawa, and Seiichi Mizuno, while Kisaburo Tokai, Policy Affairs Research Council chairman, and Political Affairs Director Shoichi Ide are also expected to join the group. Even the Social Democratic Party will have about eight members joining the group, making the "Shinseiki Group" more of a coalition party dietmen's group than a dietmen's group within the LDP.

Koizumi is overflowing with ambition when he states, "We hope to make the group a collection of about 100 members in the final analysis and play a leadership role in a future political reorganization." Koizumi clearly visualizes a Ho-Ho Rengo between two conservative forces, and provides a glimpse of his confrontational spirit with respect to the older generation including Nakasone.

As long as the current government is sustained by an LDP-SDP-Sakigake alliance, as far as the Hashimoto government is concerned, any moves that serve to reinforce alliances within the ruling parties and in turn help stabilize the current government should be welcomed.

Within the New Frontier Party, the Hata group formed the 69-member "Koshikai" and the former Komeito group has held periodical seminars, complicating the intraparty situation.

Then, on the other hand, Chief Cabinet Secretary Kajiyama has visited and asked for cooperation from Toshiki Kaifu, Morihiro Hosokawa, and Tsutomu Hata former prime ministers of the New Frontier Party, while Hosokawa has held talks with Junichiro Koizumi and Shusei Tanaka, Economic Planning Agency director general, thus projecting the impression that the political world is at the threshold of reorganization.

However, both opposition and ruling parties are in agreement concerning the view that "there will be no change in the framework of the coalition or a political reorganization before the general election." Reality is that a move cannot be made before the elections, even if one so desired.

A Reliable 'Expert at Behind-the-Scenes Negotiations.'

Nakasone has demonstrated his influence over Prime Minister Hashimoto, but the prevailing view is that the prime minister places more confidence in former Prime Minister Noboru Takeshita.

Prime Minister Hashimoto during the Nakasone cabinet days served as the LDP Administrative and Financial Policy Research Council chairman and participated

in the implementation of the Nakasone administrative reforms. He is also well known for his role in launching the split up and privatization of the national railways as the minister of transport in the third Nakasone cabinet.

However, Hashimoto's relationships with Takeshita date back to the former Tanaka faction days. During the former Takeshita days, he was one of the seven key LDP officials, and had close ties with Takeshita in playing a prominent role in organizing the Takeshita cabinet.

Additionally, Takeshita has ties with many important individuals and is an expert behind-the-scenes negotiator. He has the reputation of being capable of reaching the best solution for each issue. He does not consider such results to be achievements and never brags about them. You can probably say that there is no other individual in whom you can place so much confidence.

A controversy was created when Takeshita proposed an "argument to freeze funding" relative to the "jusen" issue, but that talk was associated with a theory about a Takeshita secret agreement.

Reportedly, the secret agreement called for the New Frontier Party not to oppose the "jusen" issue to the extent that the government would be forced into dissolution, in exchange for the LDP restraining itself relative to attacks on the Soka Gakkai. If this story is true, neither the LDP nor the New Frontier Party has anything to lose. Supposedly, the basis for the Takeshita secret agreement theory is that such would be typical of the way that his mind functions. Furthermore, the idea is that such an arrangement would not be a loss for Takeshita.

Needless to say, nothing is definite about just how the "jusen" liquidation will ultimately settle, but circumstantial evidence does exist to back up the "secret agreement theory."

First, as far as the Hashimoto cabinet is concerned, highest priority is assigned to the most expeditious and smooth passage of the fiscal year 1996 budget covering funding for the "jusen" issue. Such an achievement would enable the Hashimoto cabinet to attain stability.

On the other hand, if the New Frontier Party were to be attacked by the LDP on religious and political issues the party runs the risk of disintegration. Especially, if attempts are made to summon Daisaku Ikeda, Soka Gakkai honorary chairman, as a reference or as a witness, the New Frontier Party would be placed on the defensive. In the fall of last year, during the special session of the Diet, the party used physical force to prevent Ikeda's summons as a reference, but it is near impossible for the New Frontier Party of today to repeat such a performance. The view was that the New Frontier

Party would respond to negotiations to avoid such a situation.

Authenticity of Secret Agreement Taking Place in Special Committee on Religion.

Now the question is where does Takeshita stand? Takeshita exercises so much influence over the Ministry of Finance that he is called a boss of the Okura [Ministry of Finance] zoku. Ministry of Finance officials reportedly visited Takeshita to consult with him even on the "jusen" issue, demonstrating that Takeshita's advantage is that he exercises considerable influence over the ministry. However, the "jusen" issue inspired a torrent of criticism concerning the ministry and even studies within the LDP to dismantle it. It would be a case where a dismantling of the ministry would inevitably cause a decline in Takeshita's influence. Takeshita had no choice but to make a move to preserve the Ministry of Finance.

Further, a premise for the secret agreement theory was that no one other than Takeshita is capable of establishing a secret agreement in the current political world.

First, Takeshita was negative on bashing the Soka Gakkai. Prime Minister Hashimoto did not mention the religion and politics issues in his government policy address, resulting in criticism from within the LDP, but speculation exists that the issues were not covered in the address at the request of Takeshita.

Takeshita has for some time been mentioned as one of the few politicians who is able to meet directly with Daisaku Ikeda of the Soka Gakkai. He also maintains close ties with Soka Gakkai officials and such ties brought him Soka Gakkai support in connection with elections during the former Takeshita faction days. In other words, he was on friendly terms with the Soka Gakkai.

Further, Takeshita enjoys close ties with Prime Minister Hashimoto and Chief Cabinet Secretary Kajiyama, while the New Frontier Party now has four of the former seven key LDP officials as members including President Ozawa, Tsutomu Hata, Kozo Watanabe, and Keiwa Okuda. Reportedly, Watanabe and Okuda still visit the Takeshita residence. This is why they say Takeshita's ideas are easily conveyed to various sources.

Needless to say, there is nothing to prove that a secret agreement did take place.

However, Ichiro Ozawa, who was elected to the position of party president in an open election, was supposed to have declared, "We will force the implementation of a dissolution and general election and recapture

government powers," as he approached the current session of the Diet. Yet, recently, he has begun to say, "dissolution will probably take place in the fall." Initially, he displayed a rigid posture, advocating a mass parliamentarian resignation tactic and organizing a Lower House Budget Committee deliberation boycott, but there came a time when you could no longer sense any enthusiasm or vigor for completely forcing the government into dissolution action.

The authenticity of the secret agreement theory should be clarified by the kind of approach the LDP assumes, when the budget passes the lower house the topic of the day shifts to the Special Committee on Religion. There is the possibility that it was nothing more than pure Nagata-cho speculation. What appeared to be a shifting of tactics on the part of the New Frontier Party may have been a simple case of where the party could not produce an effective countermeasure on the "jusen" issue.

However, setting aside the question of authenticity, there is no doubt that Takehita exercises enough influence over Prime Minister Hashimoto to inspire such secret agreement theories.

Minister of Health Brings Change to Bureaucratic System.

It appears that Naoto Kan, minister of health and welfare, has made a singular contribution to enhancing the prestige of the Hashimoto cabinet.

Having been born in October 1946 in Ube, Yamaguchi Prefecture, he is 49. He was initially elected to the Diet from the former Seventh District in Tokyo, has been re-elected four times, and is a graduate of the science department of the Tokyo Industrial College. His involvement with politics started with grass-roots movements concerning empty can recycling and opposition to the use of synthetic detergents while working as a patent attorney from 1970 to 1974.

It was in those days that he came to know the late Fusae Ichikawa. Ichikawa had shifted from the nationwide electoral district to the Tokyo electoral district and had just failed election to the upper house in 1971. One of the individuals who supported Ichikawa in running for the upper house from the nationwide electoral district in 1974 was Kan. This particular fact is referred to by author Sawako Ariyoshi in her book titled, *Complex Pollution*, by calling Kan a "youth leader" who assisted Ichikawa in her election efforts.

Kan first won election to the Diet in 1980 at the age of 33. At that time, he belonged to the United Socialist Democratic Party and played the role of a leader of grass-roots movements. As a member of the United Socialist Democratic Party, he served as

deputy secretary and policy council chairman, but when the party split up two years ago, he joined the Sakigake Party. In the Sakigake, he became Policy Affairs Research Council chairman and played a inter-ruling-party coordinating role during the Murayama administration.

He is so much of an expert on a wide range of policy matters that he is referred to as an all-round player, but having been deeply involved in medical affairs from his days with grass-roots movements, he reportedly exercised a profound interest in health and welfare administration.

If one were to mention impact first, this was truly a case of a capable individual being placed in the right job, while the Ministry of Health and Welfare is an agency where Prime Minister Hashimoto exercises the strongest of influences. It was under such conditions that Kan was launched as the minister of health and welfare, with many suspicions concerning medicine and pharmaceutical hazards.

An obvious issue was that under which the Ministry of Health and Welfare refused to assume responsibility for AIDS [Acquired-Immune Deficiency Syndrome] contracted through contaminated blood products. However, Kan appointed an investigative team which uncovered records of the AIDS Research Team—records which the Ministry of Health and Welfare had insisted did not exist.

Aside from such actions, he personally met with 200 individuals consisting of victims of AIDS-contaminated blood supplies, their families, and support organizations who had been engaged in a sitdown protest in front of the Ministry of Health and Welfare demanding assumption of responsibility and an apology, and unequivocally recognized government responsibility and apologized on the issue. Such performance on his part can be labeled as being historical.

It would not be excessive to say that public criticism of the bureaucratic system beginning with the Ministry of Finance had reached a crescendo. The fact that Kan destroyed bureaucratic barriers under such circumstances must be recognized as a momentous achievement. He demonstrated that if politicians exercise their will, even bureaucratic systems can be changed.

You might say that by appointing Kan to Minister of Health and Welfare, Prime Minister Hashimoto scored a major political tour de force. It just so happened that Diet summons of witnesses associated with the "jusen" issue detracted from the dramatic impact that Kan's accomplishment should have had on the media, but there

is no doubt that Kan has had a significant impact in elevating the eclat of the Hashimoto cabinet.

It would seem that Prime Minister Hashimoto himself was surprised by Kan's record as minister of health and welfare. Kan evinces a suave air and is substantially junior to the prime minister in terms of age and number of times reelected. Moreover, his political career was previously limited to activities with a minor political party known as the United Social Democratic Party. It would appear that Hashimoto did not expect much of Kan based on the latter's limited political career. Perhaps, ingenious use of capable junior politicians is an advantage of the coalition government.

If the Hashimoto cabinet succeeds in overcoming the "jusen" issue, it should enjoy a stable future.

Japan: Yukio Hatoyama, Hajime Funada Tell "Truth" About New Party

962B0093A Tokyo SHUKAN BUNSHUN in Japanese
18 Apr 96 pp 168-171

[Unattributed article: "Yukio Hatoyama and Hajime Funada Confess the Truth About Their New Party Case"]

[FBIS Translated Text] With the "Kato summons" and the "Ikeda summons" crashing against each other, Nagata-cho [political quarters in Tokyo filled with Diet and party buildings] has laid aside all the debate on the "jusen" [seven failed housing loan companies] issue. There is a confrontation in the ruling Liberal Democratic Party [LDP] between its executives and the prime minister's official residence, while opposition party Shinshinto [the New Frontier Party] can split any time due to the aftereffect of its picketing action. Just at such a time, the Hatoyama-Funada new-party scheme has suddenly surfaced. Will the new party really be born? The two persons have told the truth about this case.

On the evening of 1 April, the day when the Lower House Budget Committee resumed its debate after a lapse of one month, Hajime Funada (49), acting chairman of Shinshinto's General Council, walked into a restaurant at a certain place in Tokyo. A little later, he was joined by Sakigake (Harbinger) Secretary General Yukio Hatoyama (49) and Mr. Susumu Yanase. The three had an animated conversation on politics over sake cups.

When about three hours passed, Mr. Yanase left his seat, and Mr. Hatoyama detained Mr. Funada, saying that "I have some important matters to talk about." Their meeting lasted deep into the night, and "it was around 0100 that Mr. Hatoyama returned to his private

residence in suburban Chofu" (according to a reporter assigned to Sakigake).

On 3 April, two days later, NIHON KEIZAI SHIMBUN in its morning edition made the following front-page report on the meeting:

"Messrs. Hatoyama and Funada agree to form a new party before the general election."

In a monthly journal's program, Mr. Hatoyama earlier conducted a talk with his younger brother and Former Education Minister Kunio Hatoyama of Shinshinto, expressing his desire to form a new party. Nagata-cho got enlivened in one breath, suspecting that "Hatoyama and Funada may build a new party."

"Pigeon Boat." This is what a young Diet member of Shinshinto has named the alliance between what is called the two young princes who have repeatedly been in contact with each other—it was done by combining the first letters of their surnames. The Chinese character Hato means pigeon and Puna, boat.

"This naming was made with the expectation that the two, who are extolled as the hope of the next generation, will join hands and set sail for another restructuring of the political world" (according to a person concerned with Shinshinto).

Both are the descendants from brilliant families of politicians. Mr. Hatoyama is a fourth-generation Diet member in his family, and his grandfather is Mr. Ichiro Hatoyama, the first prime minister of the LDP regime. Mr. Funada is a third-generation Diet member in his family, and his grandfather is the late Mr. Naka Funada who served as lower house speaker.

Probably because of their good family backgrounds, they are both very bold in action. Particularly, Mr. Funada is so much so that he is even branded as "Shinshinto's problem child."

As soon as he formed "Koshikai," an anti-Ozawa group, Mr. Funada, as its central member, hinted at his secession from Shinshinto. When the Diet plunged into a deadlock on the jusen issue, he criticized party executives over the picketing tactic and the Kato summons, and every time he gave criticism he was pelted with a question at the General Council, "Are you trying to get in our way?"

On 28 March, Mr. Funada participated in a party held by the "Citizens League" in which Banri Kaieda served as representative. He remarked that "my present address is different from yours, but I and you share the same permanent address," thereby again causing his party members to knit their brows.

Mr. Hatoyama made active contacts with forces outside of his party, partly due to the possibility that Sakigake itself might vanish unless some moves are made before the general election.

While denying the rumored merger with the Socialist Democratic Party of Japan (SDPJ) reportedly promoted by his party head Masayoshi Takemura and Former Prime Minister Tomiichi Murayama, he kept making contacts with the SDPJ's "Soshikai" members such as Nobuyuki Sekiyama, former policy board chairman, and Hirotaka Akamatsu, former secretary general, and with Mr. Kaieda of the "Citizens League."

The report on the "Hatoyama-Funada new party" circulated under these conditions. A voice saying "this is what has been expected" spread through Nagata-cho.

However, the very moment the two words "new party" appeared on the newspaper, things took a strange turn. Mr. Funada denied the new-party scheme as "contrary to fact," explaining that "Shinshinto is the very pivot around which my activities will revolve."

On the other hand, Mr. Hatoyama made a new party declaration, saying "I do not hesitate to go into opposition." However, his party head Takemura gave him a warning that "we would lose fund assistance if a talk on the new party jumps the gun."

The two princes' suddenly surfaced with the new party hubbub. Was there really not any new-party agreement?

When this question was fired at him directly, Mr. Hatoyama said that "what was given in that report was utterly erroneous." He continued:

"It is not true that a mutual accord was reached on building a new party together. Nevertheless, the unbelievable rumor spread that we had even studied the party platform.

"Of course, I have been meeting Mr. Funada once or twice a month since the end of last year. While meeting him, I felt that we had the same views as to 70 percent to 80 percent of policy matters, and a thought gradually grew in my mind that it would be nice if I could work together with him. But at that stage, the report came up that we were planning a new party. This can be likened to a case in which an almost raw egg—not even half-boiled—has been brought to the table. The egg itself would be very bewildered, if it could feel. This tells the situation I am in."

According to him, he does not intend to build a new party with Mr. Funada this very instant. He says that he instead has decided things which he should do first toward achieving that end. He makes the following remarks:

"For example, there must be many of those who entertained expectations and then had disappointments during Mr. Hosokawa's regime. The people now desire that an easy-to-understand politics should be carried out and that the current deadlock should be broken.

"When politicians fail to meet these expectations, a 'those are incompetent guys' label will eventually be attached to them. It would be too late if we started to move at that point. In this context, we have to put the finishing touches on the new party scheme within this year at the latest.

"What is more, once the decision is made to build a new party, it is necessary to call for moves to join forces from progressive and broad perspectives. In such a case, how much will we require the use of party names? Would it not be better to join forces through expansion of ideals and individual-to-individual contacts rather than through party-to-party talks?

"I would like to act together with those people, each of whom entertains a strong concern for the Japanese society, or in other words, has 'the readiness to give up his or her life as a politician.'"

After stressing that strong faith as a politician is more important than policies, Mr. Hatoyama goes on saying:

"There is a voice saying it is a little hard to understand that Mr. Funada espouses 'new conservatism' while I call myself a 'liberal.' I would like to say that our talk has not gone so far as to agree on that point as well.

"Yet it is our absolute task to make a slim Japan by breaking down the excessively obese administrative structure and the coalescence among politics, finances, and officialdom. This leads to small government, that is, new conservatism."

Chance Is Provided at "Around-Mr. Tetsosuke Hata Club"

Mr. Hatoyama continues:

"On the other hand, with the beginning of the aging of society, it has become an inevitable tide to fully develop social welfare and medical services. In this sense, we are liberals. The term 'new conservative and liberal' may not necessarily represent a contradictory dual conception.

"My aim is to create a tide of utterly new conservatism. This tide does not signify the third pole. In a original sense, the LDP and Shinshinto constitute one single pole, and it has divided into two by accident. In other words, the new party represents the second pole to all intents and purposes."

Mr. Hatoyama hopes that his foremost "comrade" Mr. Funada and his brother Kunio will join forces with him. How will Mr. Funada respond to this affectionate appeal?

Mr. Funada has not talked much since the hubbub took place, saying that "I do not want to be troubled by being further misunderstood." However, he clears up the "truth" to this journal as follows:

[SHUKAN BUNSHUN] "First, was there really not a new-party agreement?"

[Funada] "It is a fact that I have met with Mr. Hatoyama many times, and I would like to keep having contacts with him. We have been discontented with the current deadlocked political situation and have exchanged mutual views from respective positions.

"If we keep on having such meetings, we will become able to see the direction in which we are to move and also will find increased common grounds. If things develop this way, I suppose that the goal of building a new party may come in sight. However, we are still far away from reaching an agreement; nevertheless, a report of this suddenly appeared to my embarrassment."

[SHUKAN BUNSHUN] "Well, when did the link between you and him begin?"

[Funada] "This may not be quite exact, but it was sometime around the fall of last year. The chance was provided when the Around-Mr. Hata Club met. This is a gathering of intellectuals, financiers, and former veteran bureaucrats, who all serve as the brains of Mr. Hata.

"Mr. Hata was scheduled to publish a book shortly, and so he kept holding meetings for his writing. I and Mr. Hatoyama were called to attend the meetings as politicians. This is when the link began.

"As Mr. Hata was a busy man, he could not meet us frequently. On such occasions, meetings were often held only between Mr. Hatoyama and me. Therefore, I can say that it was Mr. Hata who provided a chance for this phase."

"People Running Show Within Party"

[SHUKAN BUNSHUN] "There is a report that the new-party scheme was, in fact, agreed on at these meetings..."

[Funada] "We met to talk about politics, and so political restructuring, of course, came up as a topic; nevertheless, it is a little too farfetched to report that we have agreed on a new party.

"To be sure, some of our members once proposed a tough line, arguing that 'we should take resolute

action.' However, Mr. Hata held them down by gentle persuasion, saying, 'It is still early. We must keep an underwater cruise and have mature deliberation.'"

[SHUKAN BUNSHUN] "That means that you both entertained the same hope for another political restructuring."

[Funada] "I should say so. We compared us to people who were about to be suffocated within existing party organizations reminiscent of solidly-built heavy tank units, and we discussed whether it is possible to form a loose coalition in which each individual Diet member has a leeway to act and speak on his or her own. What I am saying is that the future political party should be of a soft-path type, not a hard-path type. [soft path — a movement toward an economic mode giving priority to quality and mental affluence rather than quantity and material abundance]

"For example, the J-net, a combination of local parties, seems to be an ideal form. It is not desirable to collect some from Sakigake, such and such a number of persons from the LDP, and some others from the SDPJ. Instead, all should first become independents and then get assembled together into a new entity from an equal position"

[SHUKAN BUNSHUN] "Mr. Hatoyama says that you both have agreed on 70 to 80 percent of policy matters."

[Funada] "We are just exchanging our casual ideas in our talks, but generally we are of the same opinion on 70 to 80 percent of policy matters and differ on the remaining 20 to 30 percent. We differ as to obtaining permanent membership in the UN Security Council— one is active and the other is passive. We also have considerable differences on the question of collective self-defense.

"However, relatively speaking, we have much in common on domestic issues. That is, we seek new conservatism aimed at a small government and, at the same time, pursue liberalism as well."

[SHUKAN BUNSHUN] "However, you have not gone so far as to reach a new-party agreement."

[Funada] "One of the reasons is that the arrangements for the election have already firmed up. From the viewpoint of the Shinshinto Diet members, many party members can obtain Diet seats with the present framework left intact. Therefore, they find it hard to accept a proposal that they move to a new party before the general election.

"As for me, I believe that it will be difficult to accept such a proposal unless restructuring is sought only

after the election is held one time under the present conditions. Mr. Hatoyama says that if we worry about the election in our moves, it would be impossible to break the deadlock. However, our reality is, after all, the election. Whether to act before the election or after the election is where we differed.

"What is more, there is some irresoluteness on my part as well. Honestly speaking, the image of a conservative-conservative coalition is still lingering in my mind, and I have not yet effected a complete settlement emotionally in this regard."

[SHUKAN BUNSHUN] "What stance will you take toward Shinshinto?"

[Funada] "In case we reach a stage where we are required to build a new party and assemble ourselves from an individual position, I will be prepared to leave this party and become independent sooner or later.

"However, this does not mean that I have abandoned Shinshinto in my mind. For my part, I strongly believe that I am a middle-of-the-roader in Shinshinto, but that the show is being run by different kinds of people within the party.

"For example, what would become of this party if those different kinds of people leave it to seek a conservative-conservative formation? In such a case, we can also choose to remain in Shinshinto and rally new forces."

Enjoying "Sake in Moon-Watching Banquet Under New Hatoyama Party

[SHUKAN BUNSHUN] "What are the problems in the present Shinshinto?"

[Funada] "Things are decided by a minority. What it does after then is simply issuing circular notices. This is an area which we consider improper. In addition, the mood within the party is very somber. The party controls each individual's activities too much."

"In case of Shinshinto, the party is a mixture of people with different past records, and so it will be necessary to control views and actions to some extent. However, the control is too strong. In the era of a two-party system, the gamut of a political party should become considerably broad. While embracing various views, it must show its direction as a party."

"Shinshinto must have been a bright, open party in a original sense. It should show its magnanimity by accepting the SDPJ's right-wing force, Sakigake, and further the independents."

[SHUKAN BUNSHUN] "What is Koshikai's reaction to the new party hubbub?"

[Funada] "A considerable number of its members shared the feeling that some day they would take action. However, those who wanted to follow us faltered due to the sudden reporting. I feel really disappointed."

"If the report had been written after a little more progress was made in the talks, it would have served as a boost, but there was not that much progress in our talks."

[SHUKAN BUNSHUN] "Nevertheless, Mr. Hatoyama is making an affectionate appeal to you, Mr. Funada."

[Funada] "As a matter of course, this issue will be discussed between us in the future. However, if I am asked to work to build a new party before the general election, the situation surrounding us is too stern to accept the request. Will people who can win the election within the present framework discard the framework and shift to a new party which is going to embrace them?"

"It is highly likely that even those who are close to us will have second thoughts. The point will be how we can persuade them? It would be impossible to accomplish this task unless a big storm of support from the public opinion is raised."

[SHUKAN BUNSHUN] "Do you not have any desire to create the big storm by yourself?"

[Funada] "Yes, I have. It is not simply for amusement that I have met Mr. Hatoyama thus far."

[SHUKAN BUNSHUN] "Did you talk with Mr. Hata?"

[Funada] "I talked with him two times by phone. I was told that 'you had better proceed with a little more prudence.' In response, I said, 'They wrote the report just as they liked, and so I am now pushing ahead with the work rather coolly. You are also in my mind always.'

"As for me, I strongly hope that I will move together with Mr. Hata if I take action."

On 6 April, Saturday, Mr. Yukio Hatoyama held a party under the cherry blossoms at Otoba Palace, the Hatoyama family's original house, in Bunkyo-ku, Tokyo.

The party was attended by over 20 Diet members including Mr. Naoto Suga, Mr. Hirotaka Akamatsu, and Mr. Banri Kaieda. The party was felt to be just like a rehearsal of the inaugural ceremony for a new Hatoyama party.

However, younger brother Kunio, who showed up belatedly, said that he was "participating, strictly as a family member" and did not join in the commemorative photographing.

On a green lawn spreading in front of an elegant Western-style house, a participant, holding a wine glass in one hand, whispered:

"Today's occasion is the cherry blossom viewing, but next time I would like to enjoy sake at a moon-watching banquet under a new Hatoyama party. Of course, the moon must be the midautumn harvest moon."

Will Mr. Funada's figure be seen on that scene?

Japan: Reason for Government Councils Questioned

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[Article by Eiko Oya, managing director of the Nippon Information System Inc: "Status of Government Councils"]

[FBIS Translated Text] Eiko Oya: Managing director of the Nippon Information Systems (NIS). Graduated from the International Christian University in 1963. She is a planner-producer of corporate and organizational cultural events, while serving as a member of many government councils. Books authored include many such as *That is Why Women Are Interesting*.

The number of government councils total 219. The author of this article examines criticisms which pertain to the arbitrary selection of council members, the excessive number of former bureaucrats serving as council chairmen, obscure deliberation processes, and evasiveness of reports.

We speak of the age of major reform, but the country faces an depressed situation. We speak of a Japan with third-class politics and a first-class economy, but the country suffers from the lowest growth rate among the advanced industrialized nations.

On top of that, as if the country did not have enough trouble already, a number of disasters struck Japan last year. Just as we thought things would improve with the start of a new year, Prime Minister Murayama abandoned his ruling role and we saw the birth of the Ryutaro Hashimoto administration.

Prime Minister Hashimoto did a fashionable job of using catch phrases such as "reform and creativity." In the past, his reputation was supposed to be one of being disliked as a "persistently self-centered person," but a look at his cabinet shows a total absence of leadership. He returned to the same old distribution of key ministerial posts based on a factional-seniority system identical to the one used during the LDP [Liberal Democratic Party] days. The road to reform is in the remote distance.

It is very difficult to comprehend domestic and international demands concerning reform, especially political reform. The issue is ambiguous. This situation is not limited to the political scene and the reason for obscurity in Japanese society is difficulty in discerning the sequence of events in terms of who, where, and why a decision was made to cause a situational change. The decisionmaking process is not clear. Put another way, you could probably say that things are left vague because no one wants to assume responsibility.

Government councils are deeply intertwined in Japanese systems of this nature and have been referred to as "bureaucratic cover" and a form of "bureaucratic evasion of responsibility." The fact that criticism of such councils has intensified recently probably reflects the emergence of questions concerning repeated scandals involving bureaucrats who have assumed the initiative after the collapse of the independent LDP government, succession by amateur coalition governments, and attendant interest focused on "bureaucratic covers."

It has been 17 plus years since I began earning a living through the mass media such as television, but I am one of those individuals who have participated in many activities such as (This such as is used literally and I wish to emphasize that it is not used as a subterfuge as with government officials.) councils. I would like to use this opportunity to discuss councils based primarily on my personal experience.

Ceremony Associated With Initial Meetings

My first experience with councils was with the "Central Council for Environmental Pollution Control" of 3 December 1985. The appointment order, still in my possession, which is printed on special paper with water marks and measures 21.3 centimeters long and 19.5 centimeters wide, reads, "You are hereby appointed to the Central Council for Environmental Pollution Control," and carries a date, the approving official title of "Prime Minister Yasuhiro Nakasone," and the official red seal of the prime minister.

I have kept the order since it was the first time that I had been given such an ostentatious document. In addition, the order was accompanied by the three following pieces of paper under the authority of chief of the General Affairs Department, Agency Secretariat, Environment Agency.

1. This document carried a subject reading, "Transmission of Appointment Orders for a Member of the Central Council for Environmental Pollution Control," while the main body contained one sentence reading, "The subject document is hereby transmitted as an enclosure."

2. This document carried a subject reading, "Notification of Appointment to a Subcommittee of the Central Council for Environmental Pollution Control," while the main body also contained only one sentence reading, "You are hereby notified of your appointment as reflected in the enclosure."

3. This document was issued under authority of the chairman of the Central Council for Environmental Pollution Control with his name and official red seal affixed, printed on somewhat thicker paper, and read, "You are hereby appointed as a member of the Planning and Air Subcommittee."

I keenly felt that this was a glaring example of bureaucracy. All of the foregoing information could have been covered on one piece of paper.

Exposure to my first meeting of the council was an eye-opener. The topic for the meeting was the reelection of the chairman. First, the chairman shifted over to the seat of a regular council member. An administrative aide moved the chairman's official position plate to an empty chair. The administrative aide then stated, "We must now move to select a chairman to preside over the election of a council chairman. Could someone make a recommendation?" Immediately, one council member raised his hand in affirmation, as if he had been asked to do so, and said, "I think we should ask if John Doe will serve in that capacity."

"Does anyone have an objection?" You could barely hear, insipid murmurs of "No objection." I remained silent.

Next, council member John Doe who was sitting at a position for a regular council member stood up, sat at the position last occupied by the council chairman, and the chairman's position plate was set before him.

"Now that I have been designated despite my inexperience..." stated the election chairman, "I ask for nomination of council chairman. Again, one of the council members immediately raised his hand and stated, "We appreciate the good work done by the former council chairman Jack Doe and there is no one that is superior in qualifications to the former council chairman. I feel we should ask council chairman Jack Doe to serve in that capacity once again."

The election chairman responded, "We just have obtained an opinion that former chairman Jack Doe should be asked to serve another term. How do those in attendance feel about the nomination?" The response was, "No objection."

The election chairman returned to a regular member's seat and Council Chairman Jack Doe moved back to his

original seat. The council chairman's position plate was returned to his seat.

Good gracious, the formality was astounding.... Subsequently, I have not been exposed to ceremonial proceedings of that magnitude, but when I told this story to a government official the other day, his response was an unfazed, "That was probably a necessary procedure." However, such officialism and doctrinairism are the very basis for the bureaucracy.

Man's Honor and Logic

I spent the first five years in the dark. I could not make a distinction between a formal council and a discussion panel as well as any distinction between the "Industrial Structure Council" and the "Industrial Technology Council," on which I served in both cases as a temporary member. When I attended the "Advisory Committee for Energy's" "Long-Term Outlook Subcommittee" and the "Global Perspective Long-Term Energy Issues Discussion Panel," I could discern no differences.

Under the "Public Health Council," I was assigned to the "Eugenics Protection Committee" and the "Mental Health Committee." General meetings of these committees were amazing in that once each of the 100 members were introduced, the meetings were terminated. We, then, ate our lunches and the meetings were dismissed. I remember feeling, "What is this all about?"

The "Council Concerning Policies To Reduce Working Hours" met early one morning in a hotel. We finished our breakfast in five minutes and it was ironic that those who had no leisure time were gathered to discuss "lifestyles with leisure time." I felt there was nothing wrong with the idea of embracing slogans calling for a stop to being worker bees and engaging in the pastimes of a happy family, but I lashed out at the meeting by saying, "I refuse to be directed by the Ministry of Labor to use the newly created free time for leisurely pursuits with a happy family."

I have been amazed by the esoteric ways of government offices and have been stumped by the complexity of bureaucratic phrases, placing me in a position where initial participation on my part was limited to asking the question, "Is there a difference between it should be done and I think it should be done?" And, I must confess there was one meeting at which I waited for the passing of time by counting the number of "such as's" on one page.

Recent sessions of the "Tax Commission" have been fairly lively and interesting, but my initial exposure was probably handicapped by my lack of experience and I became irritated because all of the responses were

made as if one were concealing something. First, the introductions were lengthy and it took a while before the responses entered into substantive material. It was a case where substantive material was glossed over at the end.

It was during sessions of the "Tax Commission" that I saw a microcosm of the restraints placed on the Japanese male world. No matter how much of a confrontation takes place, one must not take bold actions against the opponent. But, one must make sure he makes statements which represent his organization. The council meetings were filled with repetitive statements of that nature. In that respect, I did not belong to any organization and had nothing to lose, placing me in a position of ultimate freedom. It was at that point, that I gave myself the self-appointed role of poking holes in the male-world restraints. This consisted of boldly stating the truth as most people would desire, but hesitate to do so.

Needless to say, there were some activities such as the "Economic Council's Structural Coordination Committee" and the "Year 2010 Committee" which provided a learning opportunity, but I learned the workings of councils as a consultant to the "Tax Commission" and the "Women's Issues Planning and Promotion Headquarters."

When the newspapers published an article on "New Committee Appointments to the Tax Commission," several congratulatory telegrams arrived at my personal company headquarters. Whether the "Tax Commission" ranks higher than other councils I had served in the past, or whether companies with which I have corporate relations are sensitive about the activities of the "Tax Commission," is not clear, but I learned for the first time that appointment to the "Tax Commission" was worthy of the honor of congratulatory telegrams.

My appointment followed the designation of 10 additional "controversialists" as new council members to shore up personnel appointments to the "Tax Commission" by the then-Prime Minister Nakasone, but one of them was Hisayuki Miyake, who made the following "powerful" statement to Council Chairman Takekazu Ogura.

"Mr. Ogura, you must work hard so that you are not outdone by the Liberal Democratic Party (LDP) Tax Commission, as you are sure to be awarded the First Order of Merit!"

So, I learned that service as a council member leads to the award of a medal and represented an honor for Japanese males.

I am the type of person who chooses substance over appearance. However, I am not talking about taking

"shady money." I thrive the most through stimulation of intellectual curiosity. In this connection, I now have in my possession a postcard in the form of a national treasury payment notice from the Agency of Natural Resources and Energy in the amount of 12,834 yen for services at one session of one of the council meetings—a very low amount. However, if several hundreds of thousand yen were paid to each of 4,600 council members, it would impose an unbearable burden on taxpayers. Membership in the tax research committee includes numerous individuals who draw speech-making fees up to 50 times council per diem, but it appears they accept such appointments first because of the honor and second because they gain access to information. I don't have the smarts to take advantage of such information and serve only because I feel it is an obligation as a citizen.

At the present time, I am appointed to four councils: i.e., the "Tax Commission," "Employment Council," "Lower House Electoral District Demarcation Council," and "Administrative Reform Committee," designation for special position in the case of the last two bodies requires the approval of the Diet. Although I do not know whether that is the reason, the per diem in the case of those two bodies is higher than that for the tax research council at 29,300 yen. However, the document sent to me upon appointment to the administrative reform committee read below the per diem rate, "Travel expenses will not be defrayed because of residency within the Tokyo metropolitan area." I wonder, "Does this mean I should walk to the meetings?"

The "Women's Issues Planning and Promotion Headquarters," which served as an eye-opener with respect to councils, is supposed to conduct deliberations and surveys with reference to corporations staffed jointly by males and females, but Nobuko Takahashi, who was serving as chairperson of the "Women's Issues Planning and Promotion Intellectuals' Conference" died suddenly and Teruko Nuita was appointed as a replacement, resulting in my sudden appointment as a consultant to replace the latter. And, as one of the goals for the enhancement of females, there is an item which reads, "Female membership in activities such as councils will be increased to 15 percent by the end of 1995."

I am strongly in favor of women's advancement in society and am also in strong favor of their participation in the policy-decision process, but we cannot confine ourselves to the precipitous process of simply increasing the number of females. If you take a close look at the "Government Council Directory," you note that there is really no need for women to serve with activities such as "Self-Defense Forces Dischargee Employment Council," "Geodesy Council," "Irrigation and

"Sewage Council," and "High-Pressure Gas and Explosives Safety Council." Needless to say, if there was a woman specialist who works in a particular field, I would not be reluctant to appoint her to the appropriate council, but it would be inadvisable to reach the 15 percent goal by placing females in all of the councils.

I once became involved in an argument with a male consultant, saying, "Then, does that mean that a female would be acceptable regardless of qualifications?" and became enraged at the answer which was, "You are totally correct!"

I would find it acceptable if the approach was one in which we said we definitely want this lady to serve on this council because it can make good use of her education, experience, and judgmental capabilities, but it would be very contemptuous of women if the approach were to appoint females as council members solely because of their gender.

I was unexpectedly exposed to the characteristics of government offices when a member of the Management and Coordination Agency approached me to seek my acceptance of a proposed appointment to the "Administrative Reform Committee." The proposed list of appointees whose names are listed below totaled five:

Yotaro Iida, Mitsubishi Industries chairman

Morishige Goto, All Japan Prefectural and Municipal Workers' Union chairman Kazuo Takenaka, National Economic Research Association consultant

Naoki Tanaka, economic commentator

Eiko Oya, female

The list made me explode in laughter. "For heaven's sake! Did they decide to appoint me because I am a bitch?"

The project officer went into dithers.... Gee! The list made it terribly obvious how hard they were trying to make one of the five a woman.... Yes, a woman.... A woman for dam sure!

I will not make myself a party to any effort to select one person of a certain gender, whether right or wrong, but I have always felt that the membership should reflect the will of the people.

In any event, policy decisions have an enormous impact, wherein female council membership which was less than 10% initially had already risen to 14.1 percent by the end of last year. This means that we have only a little way to go to reach the stated goal.

Number of Councils Total 219

Basically, what is a council? Section 8 of the National Government Organization Law reads:

"Section 3 provides that the respective government agencies may, within the assigned functions prescribed by law, in accordance with provisions of laws and ordinances, may establish consulting agencies which administer important matters appropriate for disposition through surveys, deliberations, complaint examinations, and consultations with other personnel with appropriate education and experience."

Government agencies mentioned in Section 3 refer to central ministries and agencies, and the section provides that the respective ministries and agencies may establish consulting bodies including experts from the private sector. Government, in the process of developing policies, operates councils for the sake of reflecting public views, coordinate public interests, and ensure impartiality, but in reality, criticism exists which says government conclusions are established at the outset, councils are used to create evidence that policies reflect public views, and policies reflect government positions which are supposedly public views.

Now, let us conduct a limited review of the current status of councils.

Currently. We now have 219 official councils.

The reason I have specified official is that recently numerous "unofficial consulting panels" and "research committees" have been established without reference to Section 3. Among the more noteworthy is the "Economic Structure Coordination Research Committee" which produced the Maekawa Report and the "Economic Reform Research Committee." The Maekawa Report was an attempt to define the Japanese economy broadly through a global perspective, while the economic reform research committee provided direction for important matters on deregulation which is a topic susceptible to bureaucratic backlash.

However, unofficial consulting panels are characterized by the selection of members who are acceptable to the powers to be for the purpose of perpetuating policies acceptable to such powers. Unlike councils, there is no need for deliberately involving individuals of opposing views and pretending that they surveyed public views on a comprehensive basis. However, council reports are used by the panels and that point has frequently been made an issue in the Diet.

The difference between council reports and reports issued by consultation panels is that the former must

be "honored" by other ministries and agencies, but that requirement does not apply with the latter reports.

If we return our discussion to the 219 councils, the points mentioned as problem areas include:

1. Why do we need as many as 219 councils?
2. Is it not a case where conclusions are reached at the outset before deliberations?
3. Is it not a case where hearings are purely conducted as a formality?
4. Selection of council members is arbitrary.
5. Council activities are manipulated secretly by bureaucrats.

Further, we hear strong criticism of former bureaucrats becoming council members and manipulating council activities, or of a single person assuming too many council memberships. I would like to examine the validity of each of these criticisms.

First, they say there are too many councils, but the total count includes eight councils with no members assigned which have never convened a meeting since 1989. During the past 10 years, there was a surprising number of 40 councils which have held a general meeting only once or not at all, only a few committee meetings and less than a combined total of 10, as is the case with the "Prostitution Countermeasures Council," "Historical Climatic Council," "Public Lifestyle Stabilization Council," "Population Issues Council," "Blind Masseur, Massage, Finger Pressure Therapist, Acupuncture, Moxibustion, Judo Boce Reset Council," and "Central Domestic Industries Labor Council."

The list includes those which seem to be disposable because of their anachronistic nature, those that greatly interest you because of the vagueness of their subject matter, and those that seem important and make you wonder about the paucity of council sessions. The lack of flexibility reflected in the continuing existence of inactive councils over the years itself is a bureaucratic issue.

Eviscerated Reports

On the second item which covers "the reaching of conclusions at the outset," I recall the turmoil over the "National Foundation Day Commemoration Council" in which my father Soichi Oya was involved.

In 1966, a new Holiday Law was passed under smooth sailing in the legislative process for the Respect-for-Aged Day and the Gymnastics Day, but the proposal for the National Foundation Commemoration Day of 11 February by the ruling party met with violent resistance

from the opposition party and the issue was passed to a newly established council for deliberation.

However, as soon as council members were announced, those in favor of the original proposal rushed to our home, while some concluded from the beginning that my father was against the proposal and threatened him. My father attended only the second meeting and resigned from the council on the day before issuance of the report. When he told a weekly magazine that it was a case of the "conclusion already being drawn at the outset of the council deliberations," he was hit by violent reaction from other council members.

All of the other council members consistently asserted that they participated with an open mind and that they were not manipulated, and they scathingly attacked Soichi Oya as being neurotic and a coward. I remember the episode well because it included attempts on my father's life with Japanese swords carried by right wing extremists.

The foregoing incident is a good example of a situation resulting from passing the ball to bureaucrats for disposition on a matter which should have been deliberated in the Diet. It was a case of evading responsibility on the part of politicians. The fact that the opposition agreed to referral to a council without even presenting an alternate plan could be said to have been a situation where it was self-evident that the final decision would conform with the government desire for an 11 February designation.

If one listens to parliamentary interpolations, all one hears on crucial points is solely the words, "We are now in the process at the blank council of assiduously pursuing deliberations." I believe one way of stimulating parliamentary debate would be to subject them to television exposure.

Recently, some council members of the "Religious Corporation Council" voiced their objection about being forced to complete a report under manipulation by the Agency for Cultural Affairs. The matter was covered by the newspapers because it was a current, socially controversial issue, but if it were an obscure issue, it might have been covered up.

Even if a report is completed, I have experienced many cases in which the attitude was that the hearings were held merely as a formality.

When the land value tax was introduced, I had the misfortune of serving as the acting chairperson of a subcommittee. The legal tax provisions, providing for lower taxes for idle land over land productively used, encouraged land investment speculation and the resultant introduction of a land value tax. However, the

land tax, which was originally conceived for application at a uniform rate regardless of parcel size, was modified in defiance of the council's original philosophy so as to place the predominant burden on large corporations.

As a Tax Commission member I find it disappointing that as the economic bubble burst and the corporations cried foul about excessively heavy land value taxes, the tax rate was eventually reduced.

I have experienced another bitter episode which did not concern councils, but related to the "lower house secretaries." Until that point, two government-funded secretaries were authorized and LDP parliamentarians averaged one or two privately paid secretaries. It was a long-standing desire on the part of all parties that the authorization be increased for public funding of one additional secretary.

I received a telephone call from Yoshiro Mori by telephone requesting that I serve as a committee member. I told him that I had no desire to be concerned about parliamentarian secretaries, but decided to concur when I heard that Asia University President Hankichi Eto would serve as chairman and that Yomiuri's Tsuneo Watanabe would serve as a member. I did so because I felt that these two individuals were not the type to be manipulated by government officials.

Normally, council attendance is not mandatory and the failure of a council member to attend all council sessions poses no particular problem, but this was a different case. Council deliberation schedules were carefully coordinated to ensure against absences and many actual hearings were held.

I still remember a braggadocio statement by a well-known parliamentarian, to wit, "I have as many as 20 secretaries, but none of them are concerned with policy." That being the case, there is no way that parliament can conduct meaningful deliberations.

The hearings on parliamentarian secretaries revealed that they were kept busy in all cases to handle matters concerning elections. They were justified by testimony such as, "Secretaries must go as far as to accompany visitors from our constituencies to the train station on their way home, if time permits."

Stop joking! I am absolutely against the use of taxes for the purpose of supporting election activities.

I was in favor of a proposal for political parties to establish a secretary pool under which parliamentarians would be free to use such resources, but the senior members of the council objected to that idea. Ultimately, the decision was made to have secretaries undergo examinations to qualify as "policy secretaries" ranking

equal to certified public accountants so that they can be used as policymakers in support of parliamentarians.

I had come to the conclusion that the decision was acceptable. However, the council report was altered to provide for the promotion of the first secretary to policy secretary without undergoing the policy secretary examination and the appointment of one additional secretary. One year later when the examinations were to have taken place, I was overwhelmed by uncontrollable anger with the thought traversing my mind, "For what purpose did we undertake all those serious deliberations?"

In that respect, the "Administrative Reform Committee" was established amidst a lengthy history of administrative reform based on a proposal by the third administrative reform council which read, "Deliberations and reports have failed to produce reforms. We should establish an independent surveillance agency." That being the case, council deliberations are limited to a membership of five to handle everything from issues concerning surveillance to selection of consultants for appointment to subcommittees.

However, I learned after serving one year that council reports "must be observed," but this requirement has caused government officials to be reluctant about talking. Unlike reports issued by discussion panels, government officials cannot limit themselves to "adopting only the most sensible recommendations," and government offices find themselves placed in a difficult position unless the report contains recommendations which are feasible. However, the councils would serve no useful purpose if they made recommendations which were solely agreeable to government offices.

It appears that influencing government offices takes more than simple criticism and requires a certain degree of intelligence.

The third administrative reform council was hit by a situation just before the collapse of the LDP independent administration in which a boycott was exercised against the special corporation hearings. It was a case where LDP *sokus* (a group of Diet members who exercise in a particular field policy-making expertise and contacts generally acquired through services as chairman or vice chairman of the appropriate party policy deliberation committee) parliamentarian and bureaucratic interests coincided. It was a case which demonstrated the need for considerable intelligence and power to cope with matters in which bureaucratic resistance is obvious.

30 Percent of Council Chairpersons Are Former Bureaucrats

Let us shift to a discussion of the issue covering arbitrary selection of council members. Authority for

the selection of council members rests with ministries and agencies and decisions are made by ministers. It appears that responsible departments prepare a tentative list which serves as the basis for negotiations with suggested candidates and as a basis for submission of a final list for approval by the concerned minister, but the applicable criteria is unknown.

I have already mentioned that I do not agree with the concept of including a female in all cases purely for the sake of meeting equal opportunity quotas, but I must also agree with the criticism of too many members serving on more than one council. As an example, it is very odd that I am serving on both the "House of Representatives Election District Demarcation Council" composed of seven members and the administrative reform committee composed of five members, both of which have a small number of members requiring approval of the Diet for special positions (I was serving on the election committee, but when the offer came for appointment to the "Administrative Reform Committee," I jumped at the opportunity, which I never dreamed would be extended to me, because administrative reform has been my foremost concern).

There are many individuals who assert doubt about council membership on the part of people who work with the mass media charged with the maintenance of neutrality and impartiality, but having served on several councils, I feel that journalists are required members. There are many instances in which the true nature of issues are clarified when journalists speak after a flood of statements by witnesses who purport to represent various interests.

Though somewhat extraneous to this discussion, when I became a member of the "Administrative Reform Committee," I was criticized in a magazine article which was published on an anonymous-writer basis. The article began by saying, "Eiko Oya, who recently became a member of the administrative reform committee, always presents herself as a journalist," but journalists must meet two requirements; i.e., they must "maintain a free and independent spirit," and "base their writings on real facts," adding, "Oya appears on television programs including "Speaking of the Prime Minister" and on government public affairs programs, making me question whether she meets these two requirements."

I myself feel that I am not a journalist, but that is not in reference to the two requirements stipulated by the anonymous writer, because I am not an editor, reporter, or contributor. I will take the liberty of saying that I have confidence of being qualified with respect to the two requirements, use the title of journalist only because I am a genuine lone wolf, and feel that it would be

too presumptuous to use the title of commentator. The anonymous writer seems to have considerable pride as a journalist, but recent newspapers are engaged in a major campaign against the abolishment of the resale system, a naked display of industry interests appalling to the impartial and nonpartisan.

Returning to the subject of councils, we find that one target of criticism is the excessive number of former bureaucrat council members. Of the overall 4,640 council members, 10 percent are former bureaucrats, and 30 percent of the chairpersons are also former bureaucrats. This is especially the case in the Ministry of Agriculture, Forestry, and Fisheries, where of the 20 councils, 19 are headed by former bureaucrats of the ministry. This being the case, there is no way that we will realize any deregulation policies.

Former bureaucrats are assigned as council chairpersons at the rate of 42 percent of the councils under the Ministry of International Trade and Industry, 40 percent of those under the Ministry of Finance, 27 percent of those under the Ministry of Health and Welfare, reflecting high percentages even in other ministries and exposing themselves to justifiable allegations of selecting members that are compatible with individual ministry interests.

I even questioned the existence of ministry interests in the case of the "discussion panel on deliberating lifestyles and localities" held on 23 January by the minister of construction. Normally, in most cases, photographers are allowed to take pictures only during the first five minutes of each session, but on that particular day, even after the deliberations were completed, the panel site was filled with an unprecedented number of cameramen. This was the case because Chairperson Kuniko Yamada, who was the target of the cameramen, was late in arriving for the panel deliberations. Pictures, depicting the minister broadly smiling and shaking hands as other panel members weaved themselves past the cameramen, were shown on morning television talk shows and sports newspapers. The camera coverage was planned and arranged by the prior minister, and proved to be a windfall performance for the new minister.

The fact that many council chairperson positions are occupied by former bureaucrats seems to be a case of providing post-retirement employment to former bureaucrats. However, among council members, there are those who are leaders of special corporations who hardly ever speak out, and I find myself being very upset over the fact that there are more people who do nothing than the number of those who manipulate the council sessions. Even if such useless individuals draw

only 20,000 yen, they must be considered a waste of taxpayers' money.

Even company presidents and local government leaders who read opinions written by subordinates are pathetic. There's also a number of fellows who calmly recite "organizational" views, instead of their own thoughts.

Needless to say, it is not a case of working solely on ministry interests because of the involvement of former bureaucrats, and there is no mistaking that there are instances when their knowledge as experts is useful to the deliberations. Essentially, it is a case where everything will go well as long as the other council members perform capably.

Council Members Who Resigned Because of a Change in Administration

The view that government officials pose problems caused a major upheaval from the very start of the "Administrative Reform Committee."

The requirement that all committee members must be from the private sector was met, but the Sakigake Party fiercely opposed the idea of appointing General Kazuaki Tanaka, Administrative Inspection Bureau director as administrative bureau chief which resulted in the unusual situation of launching the committee without an administrative bureau chief.

It is definitely easy to understand the logic that government can in no way achieve administrative reform on its own, but there are government officials who are experts in administrative reform. Hiroshi Kato and Taro Okuyama, who worked with Tanaka on a number of administrative reform projects, such as the privatization of the national railways, admit, "There is no one in the private sector who is so dedicated to administrative reform as Kazuaki Tanaka."

It was not until the end of February 1995 that Tanaka finally assumed duties as the committee administrative bureau chief.

At the administrative reform committee, we even selected the consultants for the deregulation subcommittee, following new procedures on everything, but another major incident arose early at the beginning of this year. Kazuo Takenaka, who was a full-time committee member and chairperson of the deregulation subcommittee, departed upon the resignation of the Murayama administration.

It seems that Takenaka, who was appointed by the Murayama administration, said he should act in unison with that administration. It would be a problem if almost all of the executive branch resigned like they do when the president changes in the United States, but it does

not provide for the best situation if none resign as is the case in Japan. Takenaka asserted that his cherished view called for his acting in unison with the administration because he was a political appointee.

I pointed out that the U.S. President has a four-year term to serve out, but that in Japan governments are subject to change in five months or two months and that if key personnel changed on each of those occasions, there would not be sufficient longevity on the part of such personnel to accomplish anything, but he left me utterly helpless when I interpreted his position to mean, "In Japan, everyone accepts committee appointments with thoughtless alacrity. My resignation is a warning that individuals should act with a greater sense of responsibility."

There are some who say this is one person's opinion and a spectacular one at that! In a committee where there are only five members and the full-time committee member position is vacant, we see the creation of a major panic.

At the 9 January meeting of the deregulation subcommittee, after Takenaka's resignation speech, the newly appointed subcommittee chairperson, Naoki Tanaka, inspired an explosion of laughter, when he said, "Unlike Mr. Takenaka, I am a poor team player, but may end up serving two prime ministers. But, since my term as subcommittee chairperson calls for two years, I am faced with the horror that I may end up serving three or four prime ministers."

But we don't have the luxury of laughing. The administrative bureau needed us for a good replacement. Refusal to rely on government officials certainly calls for a lot of energy.

Secrecy Resulting in Refusal To Release Information on Time and Date of Council Sessions

Finally, I would like to discuss the criticism that council activities are obscure and should be subject to greater public disclosure.

No matter how biased council member selections may be and no matter how much emphasis is placed on parent ministry interests by former bureaucrats, if deliberations are open to the public, there should be no serious problem. Failure to make deliberations open to the public leads to the effectiveness of some compromising tactics.

Those opposed to openness of deliberations make certain allegations. They include many such as we would not be able to ensure the unfettered expression of views by council members, we would not be able to maintain impartial deliberations, and there would be the risk

of certain organizations engaging in obstructive activities and the resultant compromise of normal deliberations. It is definitely a case where the nature of councils makes it difficult to publicly disclose information of matters, such as administrative actions, insubordination case reviews, disputes processing, issuance of subsidies, and examination assessment tests. Councils which handle matters of that nature merely need to be distinguished from investigative-deliberative councils such as the "Tax Commission" and "Economic Council" in which the public should participate and monitor.

According to a survey of councils (excluding subcommittees) by the Administrative Management Bureau of October 1994, there were 73 that did not publicly disclose the time and date of council sessions, and 133 that publicly announced such information on a routine basis or as a matter of principle.

Speaking of not even publicly disclosing time and date, I recall controversy stirred in the summer before last when the demarcation committee was engaged in delineating electoral districts for the small electoral district system. Newspaper reporters were intensely interested in seeking out information because parliamentarians' fate was subject to determination by how the small electoral districts were delineated relative to their precincts. That being the case, the government office in charge refused to provide advance information on the time and date of the next committee session even to committee members.

Since I am not solely dependent on government work, I need to maintain an activity schedule on a projected basis, but even if I ask for information on council activities as far in advance as possible, the only answer I get is a persistent, "Information requested is unavailable." I even remarked sarcastically, "Does misleading the enemy call for denying information to friends?" but the concerned official remained unperturbed.

The more something is subject to concealment, the stronger the instinct and persistence becomes on the part of reporters, and I experienced repetitive surprise calls in search of elusive information for the first time in my life. Unlike the suspicious clamor on the outside, committee deliberations were held in a quiet manner, but even though legal experts were available, lack of detailed information on every nook and cranny of the country such as that possessed by Ministry of Home Affairs personnel made it impossible to avoid suffering a sense of indigestion.

Furthermore, under the law to establish the "House of Representatives Election Demarcation Deliberation Council," we face the limitation that we cannot correct the erstwhile difference made by the weight of a

single vote. The reason for this situation is that the law provides that once one seat is allocated to each prefectural government, the remaining 253 will be distributed in accordance with the size of the population. This situation resulted from an attempt on the part of politicians to preserve as many seats as possible for prefectures which previously had many seats despite a small population.

The law is such that equitable distribution of seats was precluded from the outset, and according to the census survey of October of last year, there were more than 80 electoral districts with a differential of more than two. Moreover, demarcations were made, but no elections have taken place. It was wrong for me to feel that it would be interesting to be involved in the historical transition from the medium-electoral district to the small-electoral district system, but this council has given me an empty and depressed feeling that I have not experienced to this degree with any other council.

As many as 30 percent of the councils do not publicly disclose information on time and date of council meetings, while public disclosure of proceedings, minutes, and agenda material is not publicly available respectively in the case of 150, 131, and 120 councils. There is a surprising number of 156 councils which publicly issue reports, but reasons for not doing so include 10 councils which say, "as stipulated by law" and the others in most cases use the excuse of "such as our practice."

One case that concerned me was the reason given for the absence of public disclosure by the "Youth Issues Council," which read, "No record exists of actual public disclosure because of no demand." You somehow get the feeling that the government office concerned is taking a defiant attitude. I wonder if I am the only one that feels that this is an excuse used to play a trick on public nature which until now has relied totally on government officials. Needless to say, such conditions can be blamed on ourselves who until now were too reticent about how tax revenues were used.

We should consider it a disgrace if a government official insists, "We would be willing to open council deliberations to the public, but no one bothers to come and listen." If we wish to make Japan a place of comfortable lifestyles, we must refrain from total delegation of matters to government officials and actively engage in the submission of comments concerning policy decisions. We must attain that goal by not allowing government agencies to monopolize information and actively seeking public disclosure.

A reflection of the government characteristic of placing a higher-than-justified valuation on information of

minor value with the labels such as, "restricted to committee members," results in an excessively high price for government information in Japan. If one goes to the Government Publications Center, he can obtain a copy of government information, but the "Directory of Government Councils" costs 3,400 yen a copy. I would think that the copyright to such publications rests with the public.

The "Administrative Reform Committee" is scheduled to complete work on an information disclosure law by the end of this year, but I believe the joint enforcement of that law and the previously promulgated administrative procedures law should bring considerable transparency to the Japanese policy-making process.

If information becomes freely and easily available at a low cost, the availability of such information will not become an advantage to government councils and there will be no need for us to become government-patronized scholars. Future society is now dependent not on the use of energy to make surprise calls to obtain basic information, but on how effectively we use such information.

The "Administrative Reform Committee" has realized a dramatic achievement with respect to public disclosures. The deregulation subcommittee issues reports covering opinions both for and against proposals deliberated, while hearings were open to the mass media and included active exchanges between interested organizations and the council members. Opening the hearings did not limit the expression of real feelings, but rather resulted in many intense self-defensive presentations of genuine viewpoints.

The Japanese custom that says you must not openly disagree with others has given birth to obscure collusion, behind-the-scenes maneuvers, and opaque decision-making processes by both government and industry sources, but in the future I believe it would be better to repeat debate freely and without fear on the premise that confrontation is a natural process. Needless to say, we are not speaking of the exchange of destructive words, but the conduct of constructive discussion.

Increase Public Exposure and Encourage Public Debate

In an effort to bring greater transparency to the policy-making process as part of government reform, the government in June 1994 with reference to councils issued a "Guide Concerning Matters such as the Management of Government Meetings for Activities such as Councils and Discussion Panels" and a year later in June of last year, the ruling party political reform project team

issued a report on matters, "such as the Review and Transparency of Activities such as Councils" which was approved by the cabinet in September of last year.

However, while the "Postal and Telecommunications Council" exists, which has made information available on personal computer networks, government resistance is still strong. I have said so repeatedly, but the only way we can alter such government-bureaucratic situations is through the expression of individual public views. Individuals with vested rights will vehemently advocate the preservation of such interests. Tearing down such resistance and recovering a government which looks after the interests of the general public will require the exercise of power on the part of those remaining who are not protected by vested rights.

Statements in reference to questions encountered in connection with elections and at government offices, which say I have a complaint to make but I don't know where to go, are in many cases a matter of evading the issue.

The question arises, how can we return from councils to the parliament many of the deliberations which should fundamentally be handled within the latter institution?

First, we must achieve public disclosure of information and political parties must develop policy experts who are equal to such individuals among bureaucrats.

Relative to reform of the 219 councils currently being preserved, we must not limit ourselves to a "review" of simply examining the current reason for existence, but we must establish a criteria and make a decision to abolish those that do not satisfy the criteria. It is probably the case that there were some functions that had to be performed by the government until the private sector was fully developed, but now that the global framework and Japan's status has changed completely, we must redefine the functions to be performed by the government and the private sector.

Management of councils must undergo a drastic review. Under current practice, problems arise because the councils try to limit themselves to arriving at a single conclusion. The councils should offer multiple options to the public, ask it what it prefers, and inspire a debate. The councils should not think in a way where they believe they are the only ones that can produce the best answers.

In some cases, it would make for a nice approach if council membership were subject to recruitment from the public. Currently, only consumer organizations represent vast numbers of consumers, and it is no longer the case where only labor unions accurately represent the salarymen. And, it is hard to believe that consumer

organizations and labor unions do not possess vested rights.

There is no such thing as a consummate system. That is why I would propose the recruitment of individuals who feel they are best qualified. I have no idea as to what degree I was able to break down outdated practices relative to government councils, but this country needs a much greater infusion of new ideas.

I would like to ask the readers to define your problems on an individual basis and to present any opinions you might possess. I am determined to serve as an effective communication link.

Japan: Nippon Steel Develops 'Power-Saving' 8-inch Silicon Wafer

OW1107134796 Tokyo KYODO in English
1036 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Nippon Steel Corp. said Thursday it has developed an 8-inch silicon wafer for use in power-saving large-scale integration (LSI) circuits.

The company will shortly begin test shipment of the wafers that could help make cellular phones and notebook-type personal computers (PCs) work for longer than those currently in use, it said.

The new wafer is made by pouring ionized oxygen into a common silicon wafer and then heat-treating it to form an insulating film that stops waste electric current from passing through, the company said.

With the wafer, LSI makers will be able to manufacture LSI circuits that are more electricity-efficient, Nippon Steel said, adding that it could be possible for the makers to cut by up to 50 percent the electricity than existing LSI circuits require.

The wafers will be test-shipped at about 100,000 yen a piece, it said.

Nippon Steel will continue developing technology for mass production of the wafer, it said.

Japan: NTT Issue, Age of Open Digital Networks Viewed

962A0049A Tokyo EKONOMISUTO in Japanese
26 Mar 96 pp 61-63

[Article by Jiro Kokuryo, professor, Keio University Business School; Sachio Semoto, professor, Keio University Business School: "Main Issue in Debate on NTT Breakup Is Whether To Approve Free Access to Telecommunications Market by New Enterprises"]

[FBIS Translated Text]

Deregulation in the Age of Open Digital Networks

The Internet transformed telecommunications networks which had been centralized into decentralized networks in the blink of an eye. Open digital networks will be the basis of everything in future information communications.

A cataclysmic change is occurring in the telecommunications industry. The underlying trend is a shift of the leading communications role from conventional centralized analog telephone networks to distributed open digital networks (ODN). The two differ greatly in both technology and cost structure, so the evolution will demand major structural change in the telecommunications industry. The situation of a stable domestic oligopoly will probably end, and global, full-scale competition begin.

The success or failure of entrepreneurs will be influenced by whether they can deal precisely with this trend of the times. It is important to deal with the new trend at the policy level as well. The system which was suitable for analog telephones has many aspects which are not suitable for ODN, so they are apt to hamper starters of new enterprises who try to build a new industry. A drastic review will be required.

It appears to us that, although we are entering such an important time, in Japan people are engrossed only in haggling over whether or not to break up NTT (Nippon Telegraph and Telephone Corporation), a prescription, written in the age of analog telephones, which now misses the target. But we want readers of EKONOMISUTO to understand the main issue of this matter. The important thing now is to reject the existing system, which is predicated upon analog telephone technology—and enticements which seek to preserve those vested interests—and to support starters of new enterprises who want to build new ODN.

Bypassing Telephone Companies

From the viewpoint of the structure of the telecommunications industry, the most important point concerning ODN is probably that "introduction of full-scale competition has begun to be possible in all domains." From an age in which access to communications business was possible only for the existing telephone companies and some large-scale enterprises, it has become possible for persons starting new enterprises who have developed innovative technology to provide services worldwide by a small initial investment. There are two technical factors behind this kind of full-scale competition having become possible. 1) The change in networks to distributed processing and 2) diversification of access transmission means, such as radio.

What we refer to as a change of networks to distributed processing is that the communications processing function which up till now was concentrated in exchanges with "one to a town," will be distributed among many machines. It is the same as that the computing work of a company which formerly was concentrated in a large computer located in the innermost sanctum is now distributed among personal computers on the desks of each person charged with such work. It has reached the point where devices called routers and servers are placed in workplaces and homes, and the telephone company need only install lines here and there in order for them to do high-level processing.

This kind of mechanism, which was received like something far in the future when Kokuryo explained it in the EKONOMISUTO two years ago (8 February 1994 issue), ended up being realized by the Internet with astonishing speed. The Internet, which is built using dedicated lines, is epoch making in the sense that it is connected throughout the world by completely bypassing telephone company exchanges.

The attraction of distributed processing is that it enables, not only telephone companies but everyone who participates in a network, to add communications functions. Formerly, when one wanted to use a new communications service (call waiting, for instance) one had to make a request to the telephone company, and have it set up an exchange. Of course the service received would be provided by the telephone company. This is because the functions of analog telephones were basically concentrated in exchanges.

In contrast to that, in distributed processing networks all sorts of independent entities (at times even individuals) can add services in a competitive manner. In the past two years the computers which we are using have also gone from being able to handle only written symbols at low speed to being able to handle images at high speed, and in that interval we have not requested anything from the telephone company. We only did such things as installing software which we bought, buying additional hard disks, and contracting for the services of an internet service provider. In each of these we had many options as to which company's products to use. At present this kind of competition is limited to the *aservice* area, but it will probably spread to telephone service soon.

Diversification of access means—that is, the means of transmitting information from each user to the many communications companies—will further heighten the effect of the introduction of competition based on the change to distributed processing. By many such means as cable television, PHS [expansion unknown], cellular and satellite communications, various forms

of competition are becoming possible in the access-transmission sector, which up till now was thought possible only as an NTT monopoly.

Growth of mobile communications is remarkable, and will soon exceed 10 million subscribers. In cable television too, as a result of controls concerning ownership having been relaxed earlier, there is a crush of new ventures and the spread of Japanese cable television, which had lagged behind, advanced at one stroke; this having happened, it is inevitable that local telecommunications services will be provided.

Chances for Persons Starting New Enterprises

This kind of possibility of being able to bypass NTT is being born in virtually all parts of networks. In each domain persons who start new enterprises have the foundation to be able to begin a creative business, so the greatest problem for the future is probably how to be able to activate that. In order to do that, 1) opening of networks and 2) relaxation of controls are necessary.

By opening of networks we mean that existing communications companies divide their services according to element, and sell the elements to other, competing companies at wholesale under the same conditions that they would sell them to other business departments within their own company. For example, to lease a telephone line from a telephone office to a customer's home under fair conditions.

This is important to persons starting new enterprises because their services are, at least initially, usually limited to partial service in a specific area. Telephone services of cable television companies will also probably be offered only within a specific area. These services must go on being connected to services of other companies under fair conditions. The main point is to do things in such a way that existing large companies will not crush new entrants by refusing to connect with them.

In the United States, with such things as allocation of mobile communications frequencies being reserved for the socially disadvantaged and starters of new enterprises, division of interests among existing large companies alone is rejected, and consideration is given to giving a fair chance to "the have nots." We must build a society which permits participation by all sorts of independent entities.

For example, at present NTT is setting forth a plan for an inexpensive computer network called OCN (open computer network). While on the one hand, as users, we welcome the fact that a large reduction in the fee will occur, we want to request that NTT rigidly adhere to the rule of opening networks when introducing it, in

order not to unjustly crush the efforts of people who are starting new enterprises in the network field. For NTT to clearly express a posture of self restraint would prevent unnecessary intervention by administrative authorities.

What is important, along with opening networks, is relaxation of controls. Traditionally it was recognized that in the analog telephone system "local communications are monopolistic," so they were constructed by placing emphasis on the point of how to control the monopolistic part and protect the competition part. In order to prevent a company which takes responsibility for the monopoly field from expanding into the competition field and conducting combination-sales of monopolistic products, or carrying on unfair competition in competitive markets by using its monopoly revenue, we partitioned markets by fences, added controls on access, and also controlled fees. The United States from the 1984 breakup of AT&T [American Telegraph and Telephone Co.] to the 1996 revision of the Communications Law did this, and in Japan also, a real partitioning of markets and segregation of niches has been carried out, whatever the situation may be in legal terms.

The focal point of the problem is that these policies, which are correct when one assumes a local monopoly, conversely end up hindering competition when competition is introduced into local service too in the age of ODN. When technology makes access to all fields possible, such things as the various market fences, fee controls and complicated licensing processes which were established to prevent the evils of monopolies will stand in the way of persons who are trying to start communication businesses. We are entering a period when we will recognize the changing times, and bold abolition of controls will be necessary.

The Idea of "Abolishing Fences" Is Spreading

There are hopeful developments as well. The Telecommunications Council report on NTT, which was made public on 29 February, outwardly centered its analysis on analog wired telephones, so one can only read it as being bound by the old system, but even within that, evidence can be seen that farsighted persons strove to make preparations which anticipate the future.

In particular, we want to praise the places in which consideration is given to the statements of the writers and others that the breakup of NTT must not develop into building new fences (new controls on access) in the market and in which a course toward abolishing fences appears.

From one part of the Ministry of Posts and Telecommunications there has also been issued, separately, an expression of intention concerning relaxation of controls

(to put it more precisely, confirmation that, as a system, there are no fences). We would like them to adopt still more forward looking policies in the future.

Meanwhile, in the past year NTT, too, has been making fairly positive statements concerning opening of networks. It is an action which will prompt broad introduction of competition into a local market which up to now was close to a monopoly, so it is a decision which can easily mean a serious reduction in revenue for NTT. For NTT's part, the path of accepting a breakup and being given regional monopoly must have been easier, so one can say that NTT anticipated the proper future for Japan's telecommunications industry, and ventured to choose the hard path. We want to commend that spirit.

We must not forget. We also want to pay respect to the persons starting new enterprises who, responding to the trend toward opening of networks and relaxation of controls, quickly began to grapple with access to local communications. Indeed, now we want them to display the zest for business which they preserved while afflicted by overregulation by government offices and NTT's lack of consideration for fair competition.

A year ago we entertained misgivings that if we simply broke up NTT as was done to AT&T in 1984, without opening networks or relaxing controls, Japan's communications market would end up in a blocked-up state filled with controls, fences, and regional monopolies. But it seems to us that in this year-long debate a recognition that free competition without fences or controls must be carried on in the new communications industry has spread to both the side which is promoting a breakup of NTT and the opposing side. If only this can be done properly, competition will probably advance even if NTT is not broken up, and there will be little adverse effect even if it is broken up. We earnestly hope that in the future the persons concerned will transcend the interests peculiar to their respective organizations and move the organizations in a forward-looking direction which will build Japan's future.

North Korea

DPRK Daily 'Scolds' ROK for Reportage on Yi In-mo's NY Trip

SK1207042496 Pyongyang KCNA in English
0328 GMT 12 Jul 96

[**"NODONG SINMUN Berates S. Korean Puppets for Abuses of North" — KCNA headline**]

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — NODONG SINMUN today scolds the South Korean puppets for slandering the North in connection with Yi In-mo's medical treatment in the United States.

Through reptile press, they have alleged that the North had Yi In-mo treated at a hospital in New York for a "political purpose of humanitarian propaganda and a smear campaign against the South Korean successive regimes' policies of human rights."

In a commentary the daily defines their preposterous allegation as a criminal act which can be done only by fascists with no sense of compatriotism and humanitarianism.

The old man did nothing but enjoying medical treatment in the United States. He never met with reporters at the airport nor gave his impressions of the United States. And he never met with any U.S. Government officials to discuss political affairs. Doctors were all he met in the country.

The puppets' allegation is an expression of their anxiety about the ever growing might of the North, a powerful socialist country independent, self-reliant and self-supporting in national defence, and is also part of their premeditated moves to cloud its society based on the idea of "believing in the people as in heaven", warm human love and benevolent politics.

But it is no use shaking their fists at the sky.

Such an act only lays bare their ugly colors as human dregs who do not want to see everything going well in the North but try to hurt and stifle it in league with outsiders.

No matter how desperately the puppets may slander the North, can they never impair its high prestige.

The Kim Yong-sam group must promptly stop the smear campaign against the North, giving a careful consideration to what their anti-national, anti-reunification deeds may entail.

DPRK: 'Provocations' Reported Near Military Demarcation Line

SK1207042396 Pyongyang KCNA in English
0513 GMT 12 Jul 96

[Provocations Near MDL" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — The South Korean puppets committed grave provocations against the northern half of Korea in the areas near the Military Demarcation Line [MDL] on July 10, military sources said.

More than one hundred puppet army soldiers installed 90 mm recoilless guns near the MDL in the central sector of the front and levelled them and automatic rifles at People's Army soldiers.

In another development, hundreds of puppet army soldiers armed with machine guns and automatic rifles took positions in the areas along the MDL in the western, central and eastern sectors of the front for frantic attack operation exercises against the northern half of Korea.

The puppets sent three military vehicles loaded with lethal weapons and ammunition boxes to an area near the MDL in the western sector of the front.

All this is part of the premeditated schemings of the puppets to bring many armed soldiers and war materiel to the areas near the MDL and ignite a war of aggression.

DPRK: ROK Trade Unionists Continue Strikes for 'Vital Rights'

SK0707080496 Pyongyang KCNA in English
0658 GMT 7 Jul 96

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — South Korean trade unionists continue strikes for their vital rights, according to a radio report from Seoul.

As of July 3, strikes were reported from 19 working sites and 453 trade unions vowed to launch various forms of struggle.

The workers' struggle has been prolonged in motor businesses. Especially, the Ssangyong, Asia and Daewoo Motor Trade Unions have continued strikes and the Hanjin Heavy Industries Trade Union has staged an all-night sit-in. Tension has been escalating in shipbuilding businesses, too.

On July 2, the National Union of Scientists and Technicians, which declared an indefinite general strike, held a rally in front of the puppet government building with the participation of its 2,000 members and strongly demanded the "government" to withdraw the guidelines on wage and increase basic wages.

Since the general strike was started by the trade union involving 24 institutes, more than 3,000 scientists and technicians have suspended their researches.

DPRK: Kim Yong-sam Criticized for Blocking Departure of Mourners

SK0707080396 Pyongyang KCNA in English
0655 GMT 7 Jul 96

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — The Kim Yong-sam puppet clique have kept three students including Chong Myong-ki, chairman of the South Korean Federation of University Student Councils, and Pak Pyong-on, chairman of the Seoul District Federation of University Student Councils, and six dissidents

from departing from the country, a Seoul-based radio reported.

The fascist clique took the step on July 4, alleging that they have been said to plan to visit the North or send consolers to Pyongyang to commemorate the second anniversary of the death of the great leader President Kim Il-sung.

The fact has revealed once again the anti-national, anti-ethnic nature of the Kim Yong-sam group, who are interested only in remaining in power with the help of outsiders, regardless of the misfortune of the nation.

DPRK: Foreigners Urge Dissolution of 'UN Forces Command'

*SK1007105096 Pyongyang KCNA in English
0916 GMT 10 Jul 96*

[All foreign names as received]

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — Foreign public figures pressed for dissolution of the "UN Forces Command" in South Korea.

M.M. Verma, director of the Indian Centre for the U.N. Studies, in a press statement dated July 2 said that the existence of the "UN Forces Command" is a wanton violation of the UN Charter and the resolution adopted at the 30th UN General Assembly session.

The sophistry of the U.S. authorities who are trying to maintain the "UN Forces Command" clearly shows that they still seek their military domination over the whole of Korea, he said.

He called upon the U.S. administration to stop its unreasonable argument in this regard and promptly take measures to dissolve the "UN Forces Command" as demanded by the international community.

Khaled Bensmain, secretary general of the Movement for Democracy in Algeria, signed a signature paper supporting a new peace proposal of the DPRK, and said that it is quite natural to dissolve the "UN Forces Command" and it will help solve the Korean issue.

D.P. Maheshwari, chairman of the Indian Federation for World Cooperation and Cultural Relations, in a recent statement said that if the United Nations regards it as its preferential task to guarantee world peace and security, it should no longer turn its back on the nonfulfilment of its resolution concerning the Korean issue which was adopted some 20 years ago.

Sukwa S. Sukwa, general secretary of the Youth Organization of the Revolutionary Party of Tanzania, addressing a meeting held in Dar es Salaam on July 3 during the June 25-July 27 month of international solidarity

with the Korean people, said that for peace on the Korean peninsula it is necessary to establish a new peace mechanism proposed by the DPRK and to dissolve the "UN Forces Command" in South Korea.

DPRK: Li Peng Sends Congratulatory Message to Kang Song-san

*SK1207042696 Pyongyang Korean Central
Broadcasting Network in Korean
2200 GMT 11 Jul 96*

[FBIS Translated Text] Comrade Kang Song-san, premier of the Administration Council, received a congratulatory message from Li Peng, premier of the PRC State Council. The message happily marked the 35th anniversary of the signing of the PRC-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance. It also conveyed the warmest congratulations and best wishes.

The message continued: The PRC-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance is a crystal of the great friendship between the parties and peoples of the PRC and the DPRK. Over the past 35 years, the treaty made important contributions to promoting the socialist revolution and the construction of the two countries, and to enhancing the traditional friendship between the peoples of the two countries.

Today, the DPRK people are firmly united around the Workers Party of Korea Central Committee headed by Comrade Kim Chong-il, firmly defending the DPRK-style of socialism and ceaselessly making new steps forward in the great work to build socialism and achieve the independent and peaceful reunification of the country, which follows the intentions of President Kim Il-sung.

The party, government, and people of the PRC always value the great PRC-DPRK friendship. As in the past, they will exert all their efforts to solidify and develop the PRC-DPRK relations of friendship and cooperation.

The message expressed the faith that the PRC-DPRK friendship that is deeply rooted in the hearts of the peoples of the two countries will achieve greater development, and hoped for the prosperity and development of the DPRK as well as the everlasting glory of the PRC-DPRK friendship.

DPRK Daily Marks Anniversary of DPRK-PRC Treaty

*SK1107134596 Pyongyang Korean Central Broadcasting Network in Korean
0118 GMT 11 Jul 96*

[NODONG SINMUN 11 July editorial: "DPRK-PRC Friendship Will Live Forever"]

[FBIS Translated Text] The annals of DPRK-PRC friendship have been embroidered with a number of significant events. One such event was the conclusion of the Treaty on Friendship, Cooperation, and Mutual Assistance between our two countries.

The DPRK-PRC Treaty of Friendship, Cooperation, and Mutual Assistance, signed on 11 July 1961, 35 years ago, reflects the will and desire of the peoples of our two countries to jointly fight for victory in the socialist cause and for world peace and security, by closely supporting and cooperating with each other.

With the conclusion of the treaty, DPRK-PRC friendship has been legally consolidated and further deepened. The treaty, which served as a milestone in strengthening and developing DPRK-PRC friendship, has greatly contributed to accelerating the revolution and construction in the two countries and to defending peace in Asia and in the world.

Marking the significant date of 11 July, the DPRK people extend warm congratulations and greetings [yolyol-han chukhawa ttugoun issa] to the PRC people.

DPRK-PRC friendship is friendship which was forged and has been consolidated in the course of carrying out the common cause for independence, sovereignty, and socialism against the imperialists.

For a long time the peoples of the DPRK and PRC have jointly fought against common enemies. The peoples of our two countries have shared their destiny, pains, and joy in the struggle against the Japanese and U.S. imperialists, and have closely supported and cooperated with each other in the struggle to build socialism.

The friendship between the peoples of the DPRK and the PRC is noble friendship which has been provided and developed jointly by the leaders [suryongdulkkeso] of the two countries, and is traditional friendship which has been strengthened and developed amid various trials of history.

The intimate relations [chinbus kwangye] and comrade-like friendship between the leaders [yongdojadul] of the two countries are a reliable foundation ensuring the firmness and invincibility of DPRK-PRC friendship.

The sense of friendship [chinsonui chong] cherished by the peoples of the DPRK and PRC is sincere.

The current visit by a goodwill delegation from the PRC to our country and the goodwill visit to our country by warships of the Navy of the Chinese People's Liberation Army are a clear expression of the friendship and unity which have been strengthened and developed between the parties, peoples, and armies of the two countries.

It is a behest of the Great Leader Comrade Kim Il-sung and a consistent policy of our party and the Government of the Republic to develop DPRK-PRC friendship generation after generation.

Our people will, as in the past, consolidate and develop traditional DPRK-PRC friendship generation after generation, and will make active efforts to glorify it.

For the past 35 years, the peoples of the DPRK and PRC have made great achievements in socialist construction while supporting and cooperating with each other and maintaining solidarity with each other.

In the congratulatory message sent to Comrade Jiang Zemin, general secretary of the CPC Central Committee and president of the PRC, the Great Leader [yongdoja] Comrade Kim Chong-il pointed out: Today the PRC people have achieved national stability under the leadership of the CPC headed by you, and have attained great success in the work to build socialism with Chinese characteristics.

Today the PRC people are vigorously advancing along the path they have chosen under the leadership of the CPC headed by the respected Comrade Jiang Zemin. The party has been strengthened and its guidance role has been enhanced.

The CPC has constantly expanded its ranks, and won trust and support from the popular masses. Keen attention has been paid to the ideological indoctrination work in compliance with the policy of the CPC Central Committee on attaching importance to politics.

Education in socialism, patriotism, and the revolutionary tradition has been actively carried out.

China has identified the construction of socialist spiritual civilization as one of the important tasks facing the Chinese people as they build socialism with Chinese characteristics. As part of this, the work of putting advanced figures at the forefront and emulating them is being carried out in China.

Deep attention is focused on the work of achieving the country's stability. Measures to do away with all sorts of factors and corrupt phenomena destroying stability and making society chaotic are being taken.

Recently, esteemed Comrade Jiang Zemin stressed on many occasions strengthening political and ideological education, close ties with the masses, properly building the ranks of cadre, self-reliance and fortitude, unity and collaboration, and a spirit of unselfish service.

The Chinese people are registering great successes in economic construction under the CPC's leadership. With the successful implementation of the Eighth Five-Year Plan, the material and technological foundation of the economy has been more firmly deepened. The modernization of industry is being vigorously carried out, and new sciences and technologies have been introduced. As a result, production facilities have been modernized, and the self-reliance of industry has been strengthened.

In recent years, great successes have been achieved in the agricultural sector in China. Agricultural production has (ephocally) increased despite unfavorable natural and technological conditions. Priority importance has been given to preventing damage from floods and drought. In an effort to increase agricultural production, and various measures for this have been taken.

The land management plan has been mapped out again, and various other works — such as establishing the size of cultivated land, increasing the scope of irrigation, and readjusting waterways — are being unfolded.

Science and technology are constantly developing. The ranks and bases of science and technology have been firmly built, and science research work is being deepened. According to the party's strategy to develop the country through science and education, scientists and technicians are vigorously carrying out science research activities by displaying their patriotism and collectivist spirit.

The modernization of national defense is being accelerated. The party's absolute guidance to the army is being ensured, and the process of making the army revolutionary, modernizing it, and making it a regular army is being pushed ahead.

The Fifth Plenary Session of the 14th CPC Central Committee held last September deliberated and adopted the Ninth Five-Year Plan for the National Economic and Social Development Plan and the Long-Term Targets Through the Year 2010. Accordingly, the Fourth Session of the Eighth National People's Congress and the Fourth Session of the Eighth National Committee of the Chinese People's Political Consultative Conference held last March presented the Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Targets Through the Year 2010. This is of great

significance in building socialism with Chinese characteristics.

Today, the party and Government of China are vigorously organizing and mobilizing all of the people for the struggle to achieve the Ninth Five-Year Plan and the Long-Term Targets Through the Year 2010.

The PRC's position is being enhanced in the international arena. All of these successes in China show that the leadership of the CPC headed by Comrade Jiang Zemin is correct and that in the future, too, all things will be properly carried out only under the party's leadership.

The party and people of China have been making consistent efforts to reunify the country according to the principle of one country and two systems.

The Korean people sincerely rejoice over the great successes won by the fraternal Chinese people in the revolution and construction and sincerely wish them greater success in the future.

Today, our people are accelerating socialist construction and holding aloft the red flag, while firmly uniting as one mind around the Great Leader (yongdoja) Comrade Kim Chong-il. None of the imperialists' antisocialist maneuvers can work in the face of the might of our people, who have been firmly united as one mind.

Upholding the Great Leader Comrade Kim Il-song's behests, our people will advance (along the road of socialism), flying the red flag.

There is no chance in our people's will and stance to reunify the country by way of a confederal system based on the three principles of independence, peaceful reunification, and great national unity. Our people's cause of justice for socialist construction and national reunification is enjoying full support from the progressive people of the world.

The Chinese people actively support and encourage our people's revolutionary cause. The present situation demands that socialist countries further strengthen unity and cooperation in order to defend the cause of socialism.

We firmly believe that DPRK-PRC friendship will constantly strengthen and develop in conformity with the spirit of the treaty of friendship, cooperation, and mutual assistance between the two countries; the desire of the people of the two countries; and the strength of the two peoples' common efforts.

DPRK-PRC friendship will be immortal and forever unwavering.

DPRK: Yi Chong-ok Meets With PRC Friendship Delegation

*SK/207002696 Pyongyang Korean Central Broadcasting Network in Korean
2200 GMT 11 Jul 96*

[FBIS Translated Text] Vice President Yi Chong-ok met with the PRC friendship delegation led by Comrade Luo Gan, state councillor and secretary general of the PRC State Council General Office, at the Mansudae Assembly Hall on 11 July, having a friendly conversation with him.

Vice Foreign Minister Choe U-chin and Qiao Zonghuai, PRC ambassador to our country, were present.

The delegation leader asked the vice president to convey the warm greetings of the respected Comrades Jiang Zemin, Li Peng, Qiao Shi, and Standing Committee members of the Political Bureau of the CPC Central Committee, to the great leader [widaehan yongdoja] Comrade Kim Chong-il. The vice president asked the delegation leader to convey the great leader Comrade Kim Chong-il's greetings to the respected Comrades Jiang Zemin, Li Peng, Qiao Shi, and other PRC leaders.

Commenting on the PRC-DPRK relations of friendship and cooperation, the delegation leader said that developing the PRC-DPRK friendship is practically and historically very important. He said that during his stay in the DPRK, he witnessed the DPRK people's achievement in implementing the cause to build socialism under the leadership of the great leader [widaehan yongdoja] Comrade Kim Chong-il, and that the delegation members were very impressed by the DPRK people's revolutionary spirit shown in building the DPRK-style socialism during the past two years since the great leader [suryongnaim] passed away, all the while firmly uniting around the Workers Party of Korea headed by Comrade Kim Chong-il, following the intention of President Kim Il-sung.

He informed the vice president that as regards flood damage in the DPRK last year, the PRC party and government have decided to grant an additional 100,000 tonnes of food to the DPRK.

DPRK: PRC Delegates Inform Yi Chong-ok of Food Aid

*SK/207002296 Pyongyang KCNA in English
0011 GMT 12 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — Vice-president Yi Chong-ok had a friendly conversation with a Chinese friendship delegation led by Luo Gan, state councillor and secretary general of the State Council, at the Mansudae Assembly Hall on July 11.

Present at the meeting were Vice-minister of Foreign Affairs Choe U-chin and Chinese Ambassador to Korea Qiao Zonghuai.

The head of the delegation asked the vice-president to convey to the great leader Comrade Kim Chong-il warm greetings of respected Comrade Jiang Zemin, Comrade Li Peng, Comrade Qiao Shi and other members of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China.

Yi Chong-ok asked the head of the delegation to forward regards of Comrade Kim Chong-il to the Chinese leaders.

Referring to the Sino-Korean relations of friendship and cooperation, the head of the delegation said that in view of the situation and in view of history it is very important to develop Sino-Korean friendship.

He went on to say that while staying in Korea, he have witnessed the successes gained by the Korean people in socialist construction under the guidance of Comrade Kim Chong-il, adding that over the last two years after the great leader President Kim Il-song's death the Korean people have given full play to the revolutionary spirit in the building of the Korean-style socialism rallied close around the Workers' Party of Korea headed by Comrade Kim Chong-il, as desired by the president, which moved them deeply.

He informed the vice-president of a decision of the Chinese party and Government to donate 100,000 more tons of food to Korea, hit by floods last year, free of charge.

DPRK: PRC's Offer of 100,000 Tons of Food Aid Viewed

*SK/1107231096 Pyongyang KCNA in English
2303 GMT 11 Jul 96*

[“Chinese Party and Government Donate More Food to Korea” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — The party and government of China decided to give 100,000 more tons of food to Korea free of charge because of last year's flood damage in Korea.

This measure is a clear manifestation of the warm friendship and amity of the Chinese party and government headed by Comrade Jiang Zemin for the Korean people.

Luo Gan, state councillor and secretary general of the State Council of the People's Republic of China, on a visit to Korea, informed DPRK Vice-President Yi

Chong-ok of the decision of the Chinese party and government upon authorisation.

DPRK: Chang Chol, PRC State Councillor Visit Mangyongdae

*SK1207104396 Pyongyang Korean Central Broadcasting Network in Korean
0100 GMT 12 Jul 96*

[FBIS Translated Text] The PRC friendship delegation led by Comrade Luo Gan, state councillor and secretary general of the PRC State Council General Office, visited Mangyongdae on 11 July. Vice Premier Chang Chol and Sin An-pang, vice chairman of the Pyongyang Municipal Administrative and Economic Committee, accompanied the guests.

At the Mangyongdae old house, the delegation looked carefully at the relics preserved in this historic house, while listening to an explanation about the glorious revolutionary achievements of the Great Leader (suryong) Comrade Kim Il-song and his revolutionary home.

After having a picture taken in commemoration of their visit to the Mangyongdae old house, the guests visited revolutionary sites at Mangyongbong. The delegation also visited the Monument to the Victory of the Fatherland Liberation War and the Museum of the Fatherland Liberation War Victory on the same day. Prior to this, the guests visited the Monument to the Party's Founding.

DPRK: Chang Chol, PRC State Councillor Visit Taesongpan

*SK1207105996 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 11 July 96*

[FBIS Translated Text] On 11 July, the PRC friendship delegation led by Comrade Luo Gan, state councillor and secretary general of the PRC State Council General Office, laid wreaths at the Taesongpan Revolutionary Martyrs' Cemetery and the Friendship Tower. Vice Premier Chang Chol; Vice Foreign Minister Choe U-chin, PRC Ambassador to the DPRK Qiao Zonghuai, and working people in the city watched the performance together. The performance was highly praised by the audience for its great ideological and artistic value.

The delegation first laid a wreath at the Taesongpan Revolutionary Martyrs' Cemetery. Honor guards of the Korean People's Army (KPA) stood at the cemetery. After the DPRK and PRC anthems were played, the wreath in the name of the delegation was placed at the Revolutionary Martyrs' Cemetery while the wreathlaying music was played. The phrase "May the Korean revolutionary martyrs live forever!" was written on the

ribbon attached to the wreath. The participants paid a silent tribute, cherishing the memories of anti-Japan revolutionary fighters who devoted their lives to the sacred cause for the fatherland's liberation and the people's freedom and happiness. The delegation looked around the martyrs' cemetery. Following this, the delegation laid another wreath at the Friendship Tower. Honor guards of the KPA stood at the Friendship Tower. After the DPRK and PRC national anthems were played, the wreath in the name of the delegation was placed at the Friendship Tower while wreathlaying music was played. The phrase "May the Chinese People's Volunteers (CPV) martyrs live forever!" was written on the ribbon attached to the wreath. The participants paid a silent tribute, cherishing the memories of CPV martyrs killed in the Korean war against the U.S. imperialist infiltrators. The delegation looked around the Friendship Tower.

DPRK: Chang Chol, PRC State Councillor Watch Dance Drama

*SK1207110496 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 11 July 96*

[FBIS Translated Text] The PRC friendship delegation led by Comrade Luo Gan, state councillor and secretary general of the PRC State Council General Office, watched a legend dance drama titled "Pongsonhwa" at the Pyongyang Grand Theater on 11 July. Vice Premier Chang Chol, Vice Foreign Minister Choe U-chin, PRC Ambassador to the DPRK Qiao Zonghuai, and working people in the city watched the performance together. The performance was highly praised by the audience for its great ideological and artistic value.

DPRK: Ministry of Armed Forces Hosts Banquet for PRC Sailors

*SK1107053896 Pyongyang KCNA in English
0423 GMT 11 Jul 96*

[("Chinese Sailors Entertained" — KCNA headline)]

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — The Ministry of the People's Armed Forces gave a banquet on Wednesday for a formation of military vessels of the Chinese People's Liberation Army (CPLA), on a goodwill visit to the Democratic People's Republic of Korea to celebrate the 35th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance.

Invited to the banquet were sailors of the military vessels led by Vice Admiral Wang Jiying, commander of the North China Sea fleet of the CPLA Navy. Military

attaché Liu Jianhua, councillor Song Masuo and other officials of the Chinese Embassy here were also invited.

Present at the banquet were Vice Marshal Kim Kwang-chin, first vice minister of the People's Armed Forces; Admiral Kim Il-chol; Pak Song-il, chief secretary of the Nampo municipal committee of the Workers' Party of Korea (WPK) and chairman of the municipal people's committee; Pang Yoang-tok, chairman of the municipal administrative and economic committee; generals and officers of the Korean People's Army (KPA) and officials of party, power and administrative and economic bodies in Nampo.

In his speech at the banquet, KPA Vice Admiral Kim Yus-sim warmly welcomed the formation's Korean visit and said the visit, timed to coincide with the celebration of the 35th anniversary of the treaty, has very delighted the Korean people and servicemen.

He warmly congratulated the Chinese people on their achievements in the efforts for socialist mental and material civilization and for the building of a revolutionary, updated and regular army. And he wished the Chinese people and servicemen fresh success in the endeavours to fulfil the ninth five-year plan, attain the long-range objectives till 2010 and build elite Armed Forces with Chinese characteristics through concerted efforts of the whole country and the whole army under the leadership of the third generation headed by respected Comrade Jiang Zemin.

The Korean and Chinese peoples and armies will fight shoulder to shoulder as ever in the sacred struggle to defend and develop socialism and preserve peace in Asia and the rest of the world, he added.

In his speech, Wang said he is very pleased to visit Korea and exchange feelings of traditional friendship at a time when the 35th anniversary of the signing of the treaty is being celebrated. He expressed thanks to the Korean people and servicemen for their warm hospitality.

Pointing out that China and Korea are close neighbours sharing mountain and river, he said friendship between the two countries was provided by Comrades Mao Zedong, Zhou Enlai and other Chinese revolutionaries of the old generation and Comrade Kim Il-song, the great leader of the Korean people.

Sino-Korean friendship, forged in blood, has struck deep roots in the mind of the two peoples, he noted. The Chinese people and army set great store by this friendship. [as received]

Saying that developing this traditional friendship is a consistent policy of the Chinese party and government,

he expressed the belief that it will continue developing through generations.

The Korean people have registered tremendous achievements in socialist construction, fully displaying the revolutionary spirit of hard struggle and self-reliance, under the guidance of the great leaders Comrade Kim Il-song and Comrade Kim Chong-il and the WPK, and the heroic KPA has performed enduring feats in many years of struggle, he said, sincerely rejoicing at their achievements.

He noted that the Korean people and army are vigorously advancing for socialist construction and the independent reunification of the country under the leadership of Comrade Kim Chong-il, KPA supreme commander, and the WPK.

He wished the Korean people greater success in the future efforts.

DPRK: Choe Kwang Meets Commanding Officers of PRC Ships

SK1207001796 Pyongyang KCNA in English
0007 GMT 12 Jul 96

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — Choe Kwang, minister of the People's Armed Forces, had a friendly talk with the commanding officers of warships of the Navy of the Chinese People's Liberation Army led by Vice Admiral Wang Jiying, commander of the North China Sea Fleet, on a goodwill visit to Korea on July 11.

Present at the meeting were Vice Marshal Cho Myong-nok, director of the General Political Department of the Korean People's Army (KPA); KPA Vice Marshal Kim Kwang-chin, first vice minister of the People's Armed Forces; Admiral Kim Il-chol; and other KPA generals and officers.

Ambassador Qiao Zonghui and Military Attaché Liu Jianhua of the Chinese Embassy here were on hand.

Wang said that the current Korea visit of the military vessels is aimed at further upgrading Sino-Korean friendship, adding that they value it very much.

The people and army of Korea, under the wise guidance of the great leader comrade President Kim Il-song, achieved big successes and are gaining great achievements in different domains to implement the last teachings of the president under the leadership of supreme commander Comrade Kim Chong-il, he said.

He hoped that the people and army of Korea will make greater success in the future, too.

DPRK MILITARY Officials Hold Banquet for PRC Naval Personnel

*SK1207043196 Pyongyang KCNA in English
0323 GMT 12 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — A banquet was given at Moknan House here on Thursday for the formation of warships of the navy of the Chinese People's Liberation Army (CPLA) on a goodwill visit to Korea.

Present on invitation were the commanding officers and sailors of the formation led by Vice Admiral Wang Jiying, commander of the North China Sea fleet; Qiao Zonghui, Chinese ambassador to Korea; Liu Jianhua, military attache of the Chinese embassy here; and embassy officials.

Choe Kwang, minister of the People's Armed Forces; Vice Marshal of the Korean People's Army (KPA) Cho Myong-nok, director of the general political department of the KPA; KPA Vice Marshal Kim Kwang-chin, first vice-minister of the People's Armed Forces; admiral of the KPA Kim Il-chol and other generals and officers were in attendance. Speaking at the banquet, Cho Myong-nok said that the Korean people are significantly commemorating the 35th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance as a common holiday together with the fraternal Chinese people. The treaty has played a great role in constantly strengthening and developing the friendly relations between the two countries on a firm lawful basis, defending peace in Asia and the rest of the world and advancing socialism, he noted.

The friendship between the Korean and Chinese peoples is a precious friendship provided and developed by the leaders of the two countries together and a traditional friendship which has been strengthened and developed through all ordeals of history, he said. "It is the consistent policy of the Workers' Party of Korea and the government of the DPRK to develop the Korea-China friendship down through generations."

"We are sincerely rejoiced as over our own over the achievements made by the Chinese people and the officers and men of the CPLA in accelerating socialist modernisation and increasing national defence capacity. We warmly congratulate them," he said.

He continued: "We hope that the Chinese people, united around the Communist Party of China headed by respected Comrade Jiang Zemin, will make fresh success in the efforts to carry out the Ninth Five-Year Plan of the national economy and social development and the long-range objectives until the year 2010, which are of weighty importance in building socialism with

Chinese characteristics, and reunify the country on the principle of 'one country, two systems.'"

In his speech Wang Jiying expressed the belief that the Korea visit of the formation of warships will register desired success under the solicitude and care of Comrade Kim Jong-il, supreme commander of the KPA.

The Sino-Korean friendship, which was forged and has been developed by the leaders of the old generation of China and Korea and which has overcome trials of history, has a great viability and has struck deep roots in the mind of the two peoples and two armies, he said, and stressed that the two peoples have supported and assisted each other during the socialist revolution and construction and, thereby, the friendship has been further consolidated and developed.

"The people and army of China value the Sino-Korean friendship," he said. "It is the steadfast policy of the party and government of China to constantly consolidate and develop the friendship."

"We believe that no matter how the international situation may change, the friendship will be continued through generations along with the river Amnok by deep concern of the two countries' leaders and joint efforts of both sides," he said, and adding:

"We are glad that the people and army of Korea, under the leadership of Comrade Kim Jong-il, supreme commander of the KPA, and the Workers' Party of Korea, are making fresh success in socialist construction, the building of national defence and other work, overcoming all the hardships, in hearty response to the behests of President Kim Il-sung. We are rejoiced as over our own over the achievements of the Korean comrades."

He expressed the belief that the people and army of Korea will achieve greater success without fail under the leadership of Comrade Kim Jong-il.

DPRK: Choe Kwang, Cho Myong-nok Fete Visiting PRC Sailors

*SK1107152096 Pyongyang KCNA in English
1508 GMT 11 Jul 96*

[("Chinese Sailors Entertained in Pyongyang" — KCNA headline)]

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — The commanding officers and sailors of military vessels of the Chinese People's Liberation Army (CPLA) on a goodwill visit to the Democratic People's Republic of Korea were entertained to a banquet at Moknan House here today.

The formation of the PLA navy led by Wang Jiying, commander of the North China Sea Fleet, arrived in Nampo Port on the west coast on Wednesday to celebrate the 35th anniversary of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance.

Present at the banquet were Choe Kwang, minister of the people's Armed Forces; KPA Vice Marshal Cho Myong-nok, director of the General Political Department of the KPA; KPA Vice Marshal Kim Kwang-chin, first vice minister of the People's Armed Forces; Admiral Kim Il-chol, commander of the KPA Navy; and others.

In his speech Vice Marshal Cho Myong-nok, director of the General Political Department of the KPA, warmly congratulated the Chinese people and servicemen on their achievements in accelerating socialist modernization and increasing national defence capacity.

"We hope that the Chinese people, united around the Communist Party of China headed by respected Comrade Jiang Zemin, will make fresh success in the efforts to carry out the Ninth Five-Year Plan of the National Economic and Social Development and the Long-Range Objectives Until the Year 2010, which are of weighty importance in building socialism with Chinese characteristics, and reunify the country on the principle of 'one country, two systems,'" he said.

In his speech Wang Jiying said Sino-Korean friendship, which has overcome trials in history, has a great visibility and has struck deep roots in the mind of the two peoples and two armies.

"We believe that no matter how the international situation may change, the friendship will be continued through generations along with River Amnok by deep concern of the two countries' leaders and joint efforts of both sides," he stressed.

DPRK: PRC Naval Delegation Visits Mangyongdae 11 Jul

SK1207111196 Pyongyang Korean Central
Broadcasting Network in Korean
0100 GMT 12 Jul 96

[FBIS Translated Text] Commanding officers and sailors of the flotilla of naval warships of the Chinese People's Liberation Army (PLA) led by Vice Admiral Wang Jiying, commander of the North China Sea Fleet, visited Mangyongdae on 11 July.

At the Mangyongdae old house, with great interest they looked at the relics preserved there while listening to an explanation about the glorious revolutionary achievements of respected and beloved leader (suryong) Comrade Kim Il-song and his revolutionary home. The

guests posed for a picture commemorating their visit to the Mangyongdae old house.

After visiting the old house, Commander Wang Jiying wrote on the Guest Book the following: President Kim Il-song was the great leader of the Korean people and a close friend of the Chinese people. He prepared the PRC-DPRK friendship and made an immortal contribution to consolidating and developing it.

Then the guests climbed up to Mangyongbong and viewed the city of Pyongyang, which is growing and prospering with each passing day under the wise leadership of respected and beloved Comrade Kim Chong-il.

On the same day, the commanding officers of the flotilla of PLA naval warships planted a tree at Mangyongdae, commemorating their visit. After planting the tree, Commander Wang Jiying stated: I firmly believe that like this tree which will grow as a symbol of friendship, the friendship between the PRC and DPRK peoples and armies will shine forever.

Meanwhile, the sailors of the flotilla of PLA naval warships visited the Tower of the Chuche Idea.

DPRK: PRC Naval Delegation Attends KPA Performance

SK1207112296 Pyongyang Korean Central
Broadcasting Network in Korean
0100 GMT 12 Jul 96

[FBIS Translated Text] Members of the flotilla of naval warships of the Chinese People's Liberation Army (PLA), who are on a friendship visit to our country, watched music and dance performances by the Korean People's Army (KPA) ensemble at the 25 April House of Culture on 11 July.

Commanders and sailors of the flotilla of PLA naval warships led by Vice Admiral Wang Jiying, commander of the North China Sea Fleet, as well as (Lao Jianhuo), military attache to the PRC Embassy in the DPRK, and embassy staff watched the performance. KPA General Kim Il-chol, Lieutenant Generals (Kim Min-chun) and (Han Tong-kun), and other generals, officers, and soldiers of the KPA watched the performance with the guests.

The KPA ensemble staged various works — including the men's chorus "The Leader Came to the Guardpost," the Chinese songs "New China Cannot Exist Without the Communist Party" and "Peal of Thunder on Chong-il Peak," and the men's choruses "The General Is at the Front" and "We Will Defend the Nerve Center of the Revolution With Our Lives" — and won great praise from the audience.

The artists also sang Chinese songs — such as "Great National Production," (word indistinct), and "Song of the Festival" — and performed the Chinese dance "Spring Rain" in accordance with the Chinese people's national attributes and feelings, thus pleasing the guests.

The performance ended with the song and dance "The Song of PRC-DPRK Friendship." The performance was highly praised by the audience for its great ideological and artistic value. The guests gave floral baskets to the performers, congratulating them on the successful performance.

DPRK: MINJU CHOSON Reacts to Japan's 'Anti-DPRK Policy'

*SK1207042596 Pyongyang KCNA in English
0338 GMT 12 Jul 96*

[**"MINJU CHOSON Warns Japan Against Acting Rashly" — KCNA headline**]

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — The Japanese reactionaries tried to have the "inter-Korean dialogue" and "four-way talks" issues included in the presidential statement of the Lyons summit, revealing their anti-DPRK policy again and perpetrating another crime against the Korean people, says MINJU CHOSON today.

In a commentary the daily says what they really want is to poke their nose into the Korean issue and benefit from it.

They, despicably enough, have made the issues of "inter-Korean dialogue" and "four-way talks" conditional on Japan-DPRK negotiations for the normalization of the bilateral relations, it says, and continues:

Whether to respond to the "inter-Korean dialogue" and "four-way talks" or not is our business. The DPRK has never allowed the third party's unwanted interference in matters related to it.

The prolonged suspension of DPRK-Japan negotiations is due to the Japanese authorities' insincere position concerning the negotiations.

Japan must stop dancing to others' tune, give up the anachronistic "cooperation" scheme with its own independent idea, liquidate its crime-woven past and remove hostile relations with the DPRK.

This is Japan's choice for its national interests.

DPRK: Foreign Figures Visit DPRK Embassies on Death Anniversary

*SK1007111296 Pyongyang KCNA in English
0920 GMT 10 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — Foreigners called at the DPRK Embassies in their countries from July 3 to 6 on the occasion of the second anniversary of the death of the great leader President Kim Il-song.

Among them were Emile Kibala Bey a Nsien, national chairman of the Workers' Party of Zaire; a delegation of the Zairean People's Rally for Socialism led by its General Secretary Malibia Katete; a delegation of the Congo Left League of Zaire led by its General Secretary Joseph Mukenge Ndiwu Lungenika Tshileya; a delegation of the Togo Nationalist Union for Labour led by its Chairman Kabre Souma Bazona; a delegation of Zairean Parliament led by Anzulumi, acting-president of the Transitional Parliament-the Higher Council of the Republic of Zaire; and Richard Andriamananjato, chairman of the New Party of the Congress for the Independence of Madagascar, who is also chairman of the National Assembly.

The visitors laid floral baskets and bunches and made bows before the portraits of President Kim Il-song.

Officials of progressive political parties and organizations and people from all walks of life in Russia including former Soviet Marshal Dmitriy Yazov, Ivan Melnikov, secretary of the Central Committee of the Communist Party of the Russian Federation and member of the State Duma, V.I. Anpilov, first secretary of the Moscow City Committee of the Communist Workers' Party and leader of the "Working Russia" Movement, and his party and O. Shenin, chairman of the Council of the Union of Communist Parties-the Communist Party of the Soviet Union, visited the DPRK Embassy in Moscow and laid floral baskets and bunches before the portrait of President Kim Il-song and prayed for his immortality on Monday, his second anniversary.

DPRK: Foreign Crewmen Pay Tribute to Kim Il-song's Memory

*SK0707080896 Pyongyang KCNA in English
0709 GMT 7 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — A memorial meeting was held by foreign crewmen at Wonsan Port on the east coast of Korea on July 6 on the occasion of the second anniversary of the great leader President Kim Il-song.

Present there were captains and crewmen of the Singaporean ship Iarko and Bahamas ship The Master.

The participants paid a silent tribute to the memory of President Kim Il-song who founded the immortal chuche idea, illuminated the independent era with its brilliant rays and devoted all his life to world peace and happiness of people, and prayed his immortality. [sentence as received]

Speakers at the meeting said that his excellency the great Kim Chong-il is inheriting the idea, leadership and personalities of President Kim Il-song and administering benevolent politics. They wished him good health and a long life.

A letter to Comrade Kim Chong-il was adopted at the meeting.

DPRK: Japanese, Russian Visitors Lay Flowers at Mansu Hill

*SK0707110396 Pyongyang KCNA in English
0703 GMT 7 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — O Hyong-chin, vice-chairman of the central standing committee of the General Association of Korean Residents in Japan, a delegation of the Far Eastern Academy of Civil Servants of Russia led by Professor Vitali Mikhailovich Kortas [name as received] and Mun Myong-cha, a Korean woman journalist in the United States visited the statue of the great leader President Kim Il-song on Mansu Hill on July 6 to pay homage to him.

They laid bunches of flowers before the statue and made bows.

DPRK: Chang Chol Attends Unveiling of Monument to Kim Il-song

*SK0707080996 Pyongyang KCNA in English
0715 GMT 7 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — A mark [as received] monument to the revolutionary records of the great leader President Kim Il-song was erected at the Moranbong Theatre in Pyongyang.

The theatre is associated with his immortal revolutionary records.

The president declared here the foundation of the National Symphony Orchestra in 1946 and organized and led congresses of the party and the state including the historic 4th and 5th Plenary meetings of the Central Committee of the Workers' Party of Korea and the first session of the Supreme People's Assembly, important meetings, art performances and external activities, over 200 times.

The great leader Comrade Kim Chong-il said in last November that the theatre is a historic place associated with the immortal revolutionary exploits of President Kim Il-song, and made sure that a monument to the revolutionary records was built to exalt his exploits of leadership forever.

A ceremony for unveiling the monument to the revolutionary records was held at the theatre on July 5 on the occasion of the second anniversary of the president's death.

Chang Chol, vice-premier of the Administration Council and minister of Culture and Art, made an unveiling address.

DPRK: Citizens, Foreign Envoys Leave Flowers on Death Anniversary

*SK0907105496 Pyongyang KCNA in English
0645 GMT 9 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 9 (KCNA) — Working people of various strata, servicemen of the People's Army, youth and students laid floral baskets before the statues of the great leader President Kim Il-song erected across the country on the occasion of the second anniversary of his death.

Laid before the statues were floral baskets in the name of party, power, administrative and economic organs, public organizations, units of the Korean People's Army and the Korean People's Security Forces, public security organs, organs of science, education, culture and art, public health and the press, factories, enterprises and co-op farms, and floral baskets, bouquets and flowers in the name of families of those related to the anti-Japanese revolutionary struggle, war veterans, heroes and heroines, workers, peasants, intellectuals and other working people.

Floral baskets, bouquets and flowers were also laid in the name of Koreans overseas and foreigners.

They made a firm pledge to glorify the socialist motherland of chuche, which was restored, defended and developed by President Kim Il-song all his life, rallied closer around the respected General Kim Chong-il in hearty response to the last teachings of President Kim Il-song.

Members of Bulgarian and Vietnamese Embassies in Pyongyang, members of the Chinese and Russian Consulates General in Chongjin, about 30 delegations from Northeast China, the Jilin, China, provincial delegation for presenting a floral basket, various organs and companies in Liaoning Province and Tandong City of China, foreign delegations and crewmen staying in Korea laid floral baskets (passage indistinct)

DPRK: Evening Memorial Meetings Held on Kim Il-song Anniversary

SK1107233296

[FBIS Report] Pyongyang Korean Central Broadcasting Network in Korean on 9 July carried two reports on evening memorial meetings on the second anniversary of Kim Il-song's death.

Pyongyang Korean Central Broadcasting Network in Korean at 0400 GMT carries a 16-minute recorded report on a "memorial night of the youth and students in Pyongyang on the second anniversary of the great leader Comrade Kim Il-song's death" held on 8 July at an outdoor theater in Moranbong Youth Park.

The report says that Kim Chung-nin, secretary of the Workers Party of Korea [WPK] Central Committee, and Kang Hyon-su, chief secretary of the Pyongyang Municipal WPK Committee and chairman of the Pyongyang Municipal People's Committee, were present at the meeting.

It also says that the participants in the meeting paid silent tribute to Kim Il-song, who "devoted himself to the people's freedom and happiness, the boundless prosperity of the fatherland, and the future of the revolution throughout his life."

The report notes that Choe Yong-hae, first secretary of the Kim Il-song Socialist Youth League Central Committee, delivered a memorial address in which he said, "We must learn from the anti- Japanese 7th Regiment's spirit of resolutely defending the leader [suryong]; defend the respected and beloved general with loyalty, devotion, and singlemindedness to the end; become 8 million bullets and shells and 16 million grenades that resolutely defend the general under any dire circumstances; and gloriously fulfill our honorable mission as the comrade supreme commander's reserve combat unit and detached force."

The report also says that a coal miner from the Anju District Coal Mining Complex and various other young people delivered speeches or recited poems.

Pyongyang Korean Central Broadcasting Network in Korean at 0600 carries a 10-minute report on an "evening memorial meeting of women on the second anniversary of the great leader Comrade Kim Il-song's death," held at the Central Workers Hall on 8 August.

According to the report, Won Tong-ku, director of a department of the WPK Central Committee, and members of the Korean Democratic Women's Union were present at the meeting.

The radio also says that Kang Kwan-son, secretary of the Korean Democratic Women's Union Central Com-

mittee, delivered a memorial address. In her recorded speech, she first describes Kim Il-song's achievements in leading the women's union and then stresses the need to more resolutely fight to uphold Kim Chong-il and make the fatherland stronger and more prosperous. Other participants delivered speeches or recited poems, according to the radio.

DPRK: 'Mysterious Natural Phenomena' Appear Around 8 Jul

SK1107233196 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 10 Jun 96

[FBIS Translated Text] On the second anniversary of the great leader's [widaehan suryongnim] death, mysterious natural phenomena have appeared in various places around the country, which has made our people, who could not forget the fatherly leader [oboi suryongnim], more mournful.

A mysterious natural phenomenon appeared in the sky over a mountain behind Songjong-ri, Ichon County, from 1926 to 1931 [local time] on 4 July. The rain, which began pouring around noon that day, stopped around 1900. White clouds shaped like Chonji Lake on Mt. Paektu then formed over the peak of the mountain behind Songjong-ri, topped by the sun. A few moments later, another sun — a mirage — appeared and cast brighter rays there than in previous days. This phenomenon continued for five minutes. The new sun returned to its original place and merged with the real sun. The white clouds shaped like Chonji Lake on Mt. Paektu rose and shrouded the sun. It then began to rain again.

Party members and workers in Ichon County who witnessed this peculiar phenomenon said: Two suns appeared in response to our earnest desire to see the fatherly leader [oboi suryongnim] and the respected and beloved general. The two bright suns which appeared against the white clouds shaped like Chonji Lake on Mt. Paektu illustrated the sacred appearance of the fatherly leader [oboi suryongnim], who is the general of Mt. Paektu, and the respected and beloved general.

They also said that our leader [suryongnim] and the general are truly great ones whom heaven endowed [hanuri naen widaehan punisida].

Also, approximately 90 members of the Second Work Team, Sari Cooperative Farm, Chongjin District, Chongjin, gathered at a propaganda room at 1040 on 8 July to watch the central memorial service on television. Two pairs of sparrows flew in, flew several times around the portraits of the great leader [widaehan

suryoagnim] and the respected and beloved general, and looked up at the portraits. One pair of sparrows flew outside, and the other stayed until the people sat down after paying a silent tribute for one minute. They flew outside at around 1105.

The members of this cooperative farm said: Even the birds expressed their condolences on the second anniversary of the fatherly leader [oboi suryoagnim].

They also shed tears in their yearning for the fatherly leader [oboi suryoagnim], saying: Our leader [suryoagnim] is truly a great man among great men, who has nature under his thumb.

Apple trees near the Meteorological Observation Post in Yonsa County were in bloom last May. Then, eight flowers sprang up again at dawn on 8 July. Starting at 1100 on 9 July, a seven-color rainbow appeared for 45 minutes in the clear sky over Sinyang Workers District, Yonsa County, and stretched toward Mt. Paektu and the East Sea.

People who saw this said: The apple trees were in bloom at the Meteorological Observation Post on 8 July, and today, a seven-color rainbow appeared against the clear sky. Upon seeing nature create mysterious phenomena, we think our leader [suryoagnim] truly is one who was born with heavenly spirits.

DPRK: Ponghwa Revolutionary Site of Kim Hyong-chik Described

SK1007084096 Pyongyang KCNA in English
0623 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — It is 102 years since Kim Hyong-chik, an indomitable revolutionary fighter (July 1874-June 1926), was born.

Kim Hyong-chik was an outstanding leader of the anti-Japanese national-liberation movement of Korea and a great pioneer of the change of the course from the nationalist to the communist movement.

The Ponghwa Revolutionary Site is where he made the most brisk underground revolutionary activities in his life.

The site is in Kangdong County, about 40 kilometres northeast of Pyongyang proper.

He stayed there and courageously conducted anti-Japanese revolutionary activities from the spring of 1916 to the autumn of 1917 when he was arrested by Japanese imperialist police.

After moving the centre of his revolutionary activities to Ponghwa-ri, he made preparations in real earnest to put into practice his idea of forming an anti-Japanese revolutionary organisation.

On the basis of this, he formed the Korean National Association in Pyongyang on March 23, 1917.

The purpose of the association, clarified by him, was for the Korean nation to pool their strength, achieve the independence of the country by their own efforts and build a genuinely civilised state.

He outlined the tasks to attain this purpose.

After the formation of the association, he also formed legitimate revolutionary mass organisations such as Hakkyo-kye, Pisok-kye and Hyangto-kye with anti-Japanese patriots of various social strata.

Meanwhile, he undertook a job of teaching at Ponghwa-ri and educated youth and children to be ardent patriots and staunch revolutionaries.

In front of the Myongsin School there stands a bronze statue of Kim Hyong-chik clad in national costume and with a book in his right hand.

A monument to his enduring exploits stands on the ridge of Mt. Pisok in the entrance to the village.

The Myongsin School, the dwelling house, the ground for morning exercise, the rock floor, the monument to Pisok-kye, the ash tree, the spring well, the ode monument, the Mackjon ferry and other relics associated with his revolutionary activities are preserved as they were.

The people built a museum in Ponghwa-ri to hand down to posterity the patriotic activities he waged day and night under the motto of "aim high."

South Korea

ROK: DPRK, KEDO Sign Protocols on LWR Supply Agreement

SK120702/496 Seoul YONHAP in English
0156 GMT 12 Jul 96

[FBIS Transcribed Text] New York, July 11 (YONHAP) — North Korea and the Korean Peninsula Energy Development Organization (KEDO) signed Thursday [11 July] three follow-up protocols to the light-water reactor [LWR] supply agreement, governing privileges-immunities and consular protection, communications and transportation.

The three protocols negotiated in marathon sessions and initiated in New York between April and June were signed by Korean Peninsula Energy Development Organization (KEDO) Executive Director Stephen Bosworth and North Korean Ambassador-at-Large Ho Chong.

The protocols guarantee the personal safety in the North of staff from KEDO, the Korea Electric Power Corp., the main contractor for the reactor project, and subcontractors, and provide means of communications and transportation.

KEDO and North Korea are scheduled to begin negotiating another protocol on control of reactor construction sites in Shinpo and services to be provided by the North July 20 in North Korea.

After signing that protocol, the reactor construction project will get underway, KEDO officials said.

ROK: U.S. 'Insincerity' Toward SOFA Revision Criticized

*SKI207101696 Seoul TONG-A ILBO in Korean
12 Jul 96 p 3*

[Editorial: "Revise the ROK-U.S. Status of Forces Agreement as Soon as Possible"]

[FBIS Translated Text] It is regrettable that revision of the ROK-U.S. Status of Forces Agreement (SOFA) has been delayed because of the insincerity of the United States. With a U.S. soldier's sexual harassment of a Korean woman at a Seoul subway in May last year as a turning point, the ROK and the United States agreed in November 1995 to revise the unequal clauses of the SOFA. However, despite six rounds of working negotiations in Seoul and Washington, a revision of the SOFA seems far away.

The United States unilaterally postponed indefinitely again the seventh round of working negotiations, which have been postponed three times since the middle of April, for U.S. "internal reasons." The United States gave an unconvincing reason for the postponement. The U.S. said it has not formulated its final position on SOFA negotiations as it has been occupied with other urgent issues, such as the four-way talks on the Korean Peninsula and the improvement of relations with North Korea.

As to the custody of U.S. military suspects who have committed felonies such as murder, robbery, and rape, the two sides reached agreement that the U.S. side will give the ROK side custody of suspects at the time of indictment, as in the U.S.-Japanese SOFA. However, the United States insists that only the suspect's statement in court in the presence of an official representing the U.S. military authorities should be taken as evidence. This is totally unacceptable because it totally contradicts a judicial precedent of the ROK supreme court. The United States also asserts that the ROK prosecuting authorities' right of appeal should be restricted so that the ROK prosecutor cannot appeal to a higher court in

case the suspect is found not guilty in the first trial according to a principle of U.S. law. This does not conform to the ROK law.

The government should make more active efforts for the early settlement of the sluggish SOFA negotiations and demonstrate a resolute attitude toward the insincerity of the United States. At the same time, the United States should show a sincere attitude in order to settle the SOFA negotiations soon before it runs into an unpleasant situation in which the ROK links the SOFA negotiations with the negotiations for sharing the burden of defense costs.

ROK: Jurisdiction, Environment Contentious Issues in SOFA Talks

*SKI207060996 Seoul THE KOREA TIMES in English
12 July 96 p 3*

[FBIS Transcribed Text] The Environment Ministry is finding it difficult to make much progress on the environmental surveys it wants to conduct on U.S. military camps here as negotiations on a revision of the Korea-U.S. Status of Forces Agreement (SOFA) have come to a virtual deadlock.

The major points of contention in the SOFA negotiations are changes in jurisdiction over U.S. military personnel accused of crimes and the introduction of an environmental clause.

South Korea and the United States agreed in principle to the necessity of introducing the environmental clause but have yet to reach an accord on its contents, a Foreign Ministry official said yesterday.

The Korean government seeks to revise the SOFA in such a way as to require the U.S. forces here to abide by Korean environmental laws whereas the U.S. Government is opposed to this, wanting to introduce just a declaratory clause emphasizing the significance of environmental protection, according to other ministry officials.

Expecting that a new SOFA would soon open the way for bilateral cooperation in environmental protection efforts, the Environment Ministry had planned to begin the surveys on U.S. military camps here this year.

In preparation, the ministry notified the Defense and Foreign Ministry of the plan earlier this year.

"Surveys in the near future appear unlikely as both governments are still at odds over major issues," an Environment Ministry official told The Korea Times.

The Korean and U.S. Governments held four rounds of full-dress talks in the first half of this year to rewrite the SOFA, introduced 30 years ago in 1966.

"Our government has handed over its last offers on the contentious issues and we are now waiting for the U.S. response," another Foreign Ministry official said.

The U.S. military camps have been beyond the pollution control of the Korean environmental authorities because of the lack of any relevant clause in the SOFA.

The Environment and Defense Ministries are at present conducting extensive surveys of environmental pollution at dozens of Korean military units across the nation, the first since the birth of the republic in 1948.

ROK Daily Analyzes Controversy Between Photojournalists, USFK

SK1207055096 Seoul THE KOREA TIMES in English 12 Jul 96 p 3

[Report by staff reporter O Yong-chin]

[FBIS Transcribed Text] The change of command ceremony for U.S. Forces Korea [USFK] commanders is a significant event and has always received keen media attention, symbolizing as it does continuity in the two countries' joint defense alliance.

But curiously enough, no pictures of the ceremony ushering in Gen. John Tilelli Jr. as new commander and farewelling outgoing Gen. Gary Luck were carried by any of the Korean language vernacular newspapers.

The cast of participants was impressive as usual. On hand were enough senior government officials and top military brass from both countries to draw the attention of any photographer.

But no photos appeared in the newspapers. The reason was that Korean photo journalists boycotted the event en masse to protest what they claimed to be the "excessive searches" and "language out of common sense" they were subjected to by the USFK public affairs office in the process.

One Korean photo journalist who participated in the boycott said, "We submitted our names and ID numbers as USFK requested and were checked with our photo-bearing IDs at the gate before being allowed in. We had our baggage sniffed by dogs for bombs and were instructed to undergo a bodily check for firearms."

He said that what ticked them off was the language an American PAO [Public Affairs Office] official used and the threatening way he spoke to them, explaining do's and don'ts while taking pictures of the ceremony. "He said that we would be 'removed' and 'privileges' to cover future events involving USFK would be revoked should we violate the rules he laid down," he recalled.

"I think that there is a more appropriate word than 'removed' especially when addressing a group of journalists representing the Korean mass media," he argued. "He spoke of 'privileges,' but I don't know what he meant by that word since we were doing our business of informing the public of an important event and one of the beneficiaries of our work is USFK."

A Korean USFK spokesman said, Dogs have never been used before to check journalists as far as I know. But this was done because of heightened concern about terrorists since the recent carbomb attack against U.S. soldiers in Saudi Arabia."

As to the words that the journalists took offense to, he said that they were a personal choice, adding that USFK had no plan to respond to demands by the Photo Journalists' Association for an apology.

Although this whole episode can be lumped together with others and dismissed as the result of cultural differences and poor communications, there may be points to ponder, as it happened at an event where the two country's strong alliance was being celebrated.

ROK Daily Criticizes 'Unfair' Cases of U.S. Visa Rejections

SK1007050396 Seoul CHUNGANG ILBO in Korean 8 Jul 96 pp 1, 2

[By reporter Pae Myong-pok]

[FBIS Translated Text] A Mrs. P. who is in her late forties and the wife of the president of a prominent enterprise who once served as a high-ranking, vice minister-level civil servant, experienced an incident that greatly hurt her pride. To fulfill her dream as an artist, she applied and was admitted to a famous art college in the United States. However, when she applied for a visa, the U.S. Embassy rejected her application.

The reason for the rejection was that there was a high possibility that she would remain in the United States. She repeatedly explained that her husband's status was certain and that the rest of her family was remaining in Seoul, but the consul screening her application ignored her, saying, "Why in the world are you planning to study abroad?" Mrs. P was very angry and could not give up her plan to study in the United States. She was finally able to receive a visa after repeatedly explaining her situation to the U.S. Embassy side through an unofficial channel.

A Ms. B, who is in her forties, divorced, and living in Songnam, Kyonggi Province, applied for a tourist visa through a certain tourist company in May in order to visit various sights in the United States with her two

elementary school-age sons, but was rejected two times. She was regarded as possibly staying illegally in the United States. She is rumored to be a woman of means, running a large-scale restaurant with annual sales of 400 million won.

"I am dumbfounded. Why would I want to live in the United States? Who would run my restaurant? Even if they paid me to live in the United States, I would not live there."

Ms. B gave up her plan to visit the United States out of disgust.

The ROK annual per capita income exceeds \$10,000, and each year over 5,000 Koreans return from the United States to live in the ROK. However, the yardstick in screening visas applicants at the U.S. Embassy in the ROK is inflexible. It is too strict and rigid, and there are many cases such as Mrs. P and Ms. B's which are hard to convince.

Last year there were 400,000 visa applications. Of these, 30,000 were rejected. The visa rejection rate is at the 7-percent level. The reasons for rejection is that there is a possibility that people may stay illegally in the United States or because the necessary documents were not fully prepared.

In many cases, the U.S. Embassy is to some degree responsible for those whose visa applications were rejected because of a lack of documents. There are 13 consuls in charge of issuing visas this year, an increase of two persons. They are responsible for issuing 4,500-5,000 visas daily. There is a considerable lack of manpower. They are not able to manage all work meticulously, and so even if there is a little error in the documents, they mechanically reject issuing visas.

Mr. C, a dramatic actor, visited the United States on five occasions to perform. Nevertheless, he had a difficult time when his visa application was rejected in June. The reason for the rejection was that he did not attach his old passport to the new one he was issued. Mr. C said angrily: "They are too insincere. All they had to do was check the computer only for a few minutes."

Because there are no improvements in screening visa applicants and there is a structural limit to the system of issuing visas, "there are many unfair cases."

The only way to solve this problem is to carry out visa exemptions as soon as possible. This is being spread among the Americans.

This year the U.S. Chamber of Commerce in the ROK (chairman: George Williams) regarded visa exemptions for commercial and tourist visas as its greatest task and dispatched a delegation to Washington in May. They

actively lobbied Congress and the administration as their counterpart.

The bill promoting visa exemptions for Koreans has already been submitted to the Senate and House. Also in March and May, Congressman Chang-chun Kim, a Korean-American of Diamond City, California, and Senator Daniel Inoue of Hawaii each submitted bills for visa exemptions for short-term Korean visitors to the United States.

ROK: Business Circles Urge Dropping ROK From IPR Watch List

*SK1207062096 Seoul YONHAP in English
0526 GMT 12 Jul 96*

[FBIS Transcribed Text] Seoul, July 12 (YONHAP) — Korean and American business circles announced Friday the adoption of a joint resolution calling for South Korea to be dropped from the United States' Priority Watch List for intellectual property rights (IPR).

In light of South Korea's remarkable advances in IPR protection in a short period of time, Anam Group Chairman Kim Chu-chin noted, it is unreasonable for the U.S. Government not to give proper credit to the nation's measures to protect IPR.

Yang Yong-chun, a partner at the law firm Kim and Chang, added that the Seoul Government has further strengthened its IPR enforcement, saying that "straight-forward counterfeiting activities have substantially decreased."

The resolution was announced on the concluding day of the ninth Korea-U.S. business conference at the Seoul Inter-Continental Hotel. The conference held committee sessions on technology and manufacturing, services and IPR-related issues with over 120 businessmen from both nations attending.

Increased technological cooperation with the United States is necessary to prevent South Korea from becoming too dependent on Japanese technology, Kim pointed out, believing that such a trend would be undesirable to both Korean and American businesses.

On the U.S. entry visa issue, Tami Overby, executive director of the American Chamber of Commerce in Seoul, stressed that convincing U.S. Congressmen and Senators into enacting special legislation would be the best way for Koreans to gain visa-free entry status.

To that end, she said, her chamber plans to contact its 600 corporate members in the United States on the issue and have them press their respective Congressmen to support South Korea's visa-free effort.

Ko Chong-sam, vice president of Korean Air, noted that travel by Korean tourists to nations that do not require a visa has increased at a rate far higher than America's.

The tedious and cumbersome visa process that such travelers currently have to endure for entry to the United States could tarnish the image of America in the eyes of Koreans, he added.

On the investment climate in South Korea, Vice Chairman William P. Weber of Texas Instruments, Inc. noted that the nation continues to lag behind other Asian nations in inducing foreign investment.

"Korea has a long way to go to establish a competitive environment with that of most other Asia-Pacific economies."

The situation has worsened this year, he added, primarily because of various restrictions on such investment and anti-competitive business practices of the nation's major conglomerates.

"It is imperative for U.S. and Korean companies to implement meaningful, mutually beneficial investment and partnership strategies on a wide variety of fronts — starting first with improvement in the investment environment in Korea."

The technology and manufacturing committee then proposed to establish a joint ad hoc committee on the comparison of South Korea to other economies in the Asia-Pacific region.

Meanwhile, Ssangyong Group Chairman Kim Sok-chun noted that a joint Korean-U.S. approach to the Asian market could take advantage of lucrative opportunities related to infrastructure projects, the rising Asian middle class and coastal China.

ROK Companies, Boeing, Airbus Discuss Building Jetliners

SK0907093296 Seoul YONHAP in English
0818 GMT 9 Jul 96

[FBIS Transcribed Text] Seoul, July 9 (YONHAP) — Boeing Co. of the United States and Airbus have recently tapped Korea's leading aviation companies for joint ventures to build super-size jetliners, and some Korean companies are carefully studying the offer, business sources said Tuesday.

A Boeing official in charge of public relations Monday held a briefing session to discuss the American company's new project at Seoul's Choson Hotel, and called for Korean aviation companies to take part in the project, the sources said.

Officials from Korean Air, Samsung Aerospace Industry, Daewoo Heavy Industry and Hyundai Aerospace were on hand at the briefing session.

Boeing reportedly offered to set aside an unspecified stake and to provide finished aircraft sales rights for the Asian region to induce Korean and Japanese aviation companies to participate in its 500-seat super Jumbo Jet development project called 747-500 and 600-X.

Airbus, a four-nation consortium including Britain, France, Germany and Spain, is also reportedly going to make a joint venture offer to Korean aviation companies sooner or later involving its super jumbo passenger aircraft development project called A3XX, according to the sources.

Korean companies, which are seeking new projects following the recent collapse of Korea-China mid-sized aircraft development negotiations, are quite responsive to the Boeing and Airbus projects, but they still have yet to map out a broad negotiation framework.

A Korean air official said: "It will be possible to participate in small-scale stake, but we need a carefully coordinated policy decision since the project is led by foreign companies."

Another official cautioned that there must be a clear direction on whether the participation, if any, should be arranged separately or jointly so "we should avoid repeating the fiasco like we suffered in dealing with China."

Korea-China negotiations for a joint venture to test-produce 100-seat twin-engine jet airliners by 1998 and to sell a total of 350 planes in Asian and European markets by 2010 broke down primarily because of a dispute about which side would be responsible for operating an assembly plant.

ROK: U.S. Envoy Urges Encouraging DPRK To Expedite Reforms

SK1207054996 Seoul THE KOREA HERALD in English 12 July 96 p 1

[By staff reporter Sim Chae-yon]

[FBIS Transcribed Text] U.S. Ambassador to Korea James Laney yesterday called for the need to encourage North Korea to revive its economy and expedite reforms.

"We need to encourage economic activity and reform in North Korea. This not only helps relieve the pressure inside North Korea, but expands Pyongyang's contacts with the outside world," Laney told the 9th Korea-U.S.

Business Council Forum held at the Inter-Continental Hotel in southern Seoul last night.

"Our goal should be to encourage North Korea to ease its isolation, and adopt political and economic policies that offer a better life for its people, and plot a path to eventual agreed reunification.

"As contacts and economic reform progress, North Koreans will become more comfortable and confident with both, and the process will snowball," he said. Laney, stressing that deterrence continues to work to protect South Korea, said that the United States remains committed to remaining strong on the peninsula.

"But we need to add flexibility and imagination to our strength. North Korea's decline, which was at first so gratifying to us, has raised the specter of other risks, risks that could prove more costly and dangerous for us than we have yet fully realized," he said.

"There should be no doubt that North Korea's decline poses risks for us. These range from diversionary military actions that could spiral out of control to a descent into chaos with implications and consequences that would extend across the North's borders," he said.

He stated, "I do not want to exaggerate the likelihood of any of these scenarios, but the potential consequences of any of them would be catastrophic for the South as well as the North."

He made it clear that the U.S. will reject any proposals for negotiations that do not include the South.

"But the mere fact that the North is pushing the idea indicates that they are trying to move from a state of suspended war to a different state that might for them ease the unbearable pressure under which they find themselves," he said.

"The offer of four-party talks with the North was made with this situation in mind. We do not know whether the North will finally accept the offer extended by Presidents Kim Yong-sam and Bill Clinton or not. Parts of the proposal raise difficult issues for them," he said.

Laney explained that the two nations made the proposal because they realized that failure to engage the North now could lead eventually to a return of something like the crisis atmosphere of 1994.

"North Korea is weak. It faces inexorable decline unless it makes policy decisions that will be very difficult in light of its history. Its weakness may be comforting in the short term, but its collapse, or desperate measures to stave off collapse, are manifestly not in our long-term interests. I don't think any of us want to see North Korea in a position where it has nothing to lose," he added.

ROK, U.S. Consider 'Pressure' on DPRK To Realize 4-Way Talks

SK1207102496 Seoul YONHAP in English
0915 GMT 12 Jul 96

[FBIS Transcribed Text] Seoul, July 12 (YONHAP) — South Korea and the United States are considering stepping up pressure on North Korea, including an end to any further improvement in relations between Pyongyang and Washington and Tokyo, to urge the North to come forward for the four-party peace talks that have been proposed to discuss a permanent peace regime for the Korean Peninsula, a Foreign Ministry official said Friday.

"Every available option will be discussed between U.S. National Security Advisor Anthony Lake and South Korean officials during Lake's brief stay in Seoul Sunday," the official said.

Lake is scheduled to meet with Senior Presidential Secretary for Foreign Affairs and National Security Yu Chong-ha and Foreign Minister Kong No-myong.

"There's no Africa-style famine in North Korea, although speculation that the North will be swept by starvation this summer has been circulating," he said.

China recently promised 100,000 tons of grain to North Korea and the World Food Program (WFP) and other international organizations will begin sending rice to the North that has been collected from South Korea, the United States, Japan and other countries in the past few months, he said.

Noting that the North will be able to begin harvesting corn and rice next month to alleviate its food shortage, the official said that North Koreans may have the ability to overcome the current food shortage without further assistance from South Korea and its allies.

"That's why they brag about maintaining a one-million-man army near the Demilitarized Zone," he said.

The official dismissed reports that the North requested one million tons of rice in return for it taking part in the four-party peace talks, saying that the United States Government is not capable of responding to such a request.

He recalled that the Republican-controlled Congress recently earmarked 15 million dollars for assistance to North Korea after the Clinton administration requested 25 million dollars to provide the North with Heavy Oil, in an apparent show of reluctance to provide any aid to the North.

"Taking this into consideration, it seems absurd for anyone to think that the United States has the ability

to provide North Korea with such a massive amount of rice," he said.

It would also be unacceptable for the South Korean Government to agree to such large-scale aid to North Korea just to induce the North to agree to the four-party meeting.

"Only after the North makes a tangible attempt to reduce tensions on the Korean Peninsula and improve inter-Korean relations, can we consider providing large-scale assistance to the North," he said, pointing out that the North discarded the peace agreement signed between the South and North in the early 1990s just like a tissue. [as received]

Anthony Lake will arrive in Seoul late Sunday and debrief Seoul officials on his visit to China. Assistant Secretary of State for East Asia and the Pacific Winston Lord and a few other officials will accompany Lake. Lake discuss the four-party meeting and the South-North relations with Chinese officials as well as ways of improving Sino-U.S. relations.

ROK: Prosecution Prohibits Dissidents From Visiting DPRK

SK0407140296 Seoul KBS-1 Television Network in Korean 1238 GMT 4 Jul 96

[FBIS Translated Text] The prosecution has obtained secret information that there are moves by the Korean Federation of University Student Councils [Hanchongnyon] and some members of dissident organizations to send a condolence delegation to North Korea on 8 July, which is the second anniversary of the death of North Korea's Kim Il-song. Therefore, the prosecution has prohibited them from leaving the country. The prosecution revealed that it prohibited three Hanchongnyon senior members, including its Chairman (Chong Myong-ki) and five to six dissident figures, from leaving the country.

ROK: Philippine Professor Selling Information to DPRK Arrested

SK0507022696 Seoul YONHAP in English 0158 GMT 5 Jul 96

[FBIS Transcribed Text] Seoul, July 5 (YONHAP) — A Filipino professor at Dankuk University was arrested Thursday by the Agency for National Security Planning (NSP) on suspicion of collecting national secrets and passing them to North Korea, the NSP said Friday.

Mohamad Kanso, 50, a history professor at the university's graduate school, was suspected of conveying information to a North Korean agent called "Mr. Kim" based in Beijing through fax on five occasions from March to June.

Kanso was reportedly lured by the North Korean agent last February when he was in Shanghai in China to attend an academic seminar.

Kanso was arrested at the Seoul Plaza Hotel Wednesday where he was attempting to fax information on the deployment of apache helicopters and the test firing of the self-propelled guns jointly developed by the Defense Ministry and domestic defense industries.

Since his arrival in March 1985, Kanso completed a doctorate course in Seoul and has lectured on the comparative study of western and oriental civilizations.

ROK: NSP Arrests 'Influential' DPRK Spy Involved With Dissidents

SK1207053496 Seoul HANGUK ILBO in Korean 12 Jul 96 p 1

[Report by Kim Pyong-chan and Hyon Sang-yop]

[FBIS Translated Text] It was learned on 11 July that the Agency for National Security Planning [NSP] has arrested an influential North Korean figure who conducted espionage after infiltrating into the ROK from a third country in Southeast Asia, where he was a naturalized citizen.

A relevant high-ranking government official said he understands that "the NSP recently arrested an influential North Korean figure who infiltrated into the ROK after obtaining his nationality from a third country, and who was trying to build a clandestine network by bringing around student movement activists and dissidents. He is now under investigation by the NSP. This North Korean spy carried out his activities by infiltrating the ROK many times, taking advantage of his freedom to visit and leave the country."

It is first time security authorities arrested this influential North Korean figure. It was learned that the arrested resident spy is in his sixties and holds an important position within the North Korean Workers Party.

The NSP plans to finalize its investigation of this North Korean spy and announce the details of its investigation soon.

ROK President Meets With Leaders of Pro-Seoul Mindan

SK0507103396 Seoul YONHAP in English 0920 GMT 5 Jul 96

[FBIS Transcribed Text] Seoul, July 5 (YONHAP) — President Kim Yong-sam encouraged 310 leaders of Mindan, the Pro-Seoul Federation of Korean Residents in Japan, over a Chongwadae [presidential offices] tea Friday afternoon.

The leaders headed by Mindan President Sin Yong-sang attended a conference at home of Mindan chapter heads.

"The South Korea-Japan summit meeting on Cheju Island was quite significant in that it pledged a commitment to successfully co-hosting the 2002 World Cup finals and sought ways to develop a new Korea-Japan relationship of amity and neighborliness," Kim told the Mindan leaders. "You civic leaders are requested to play the role of a bridge between your home country and Japan and help the Japanese understand our position correctly."

Pointing out that a proper understanding of the Korean language and culture is prerequisite to creating "the community of Korean race," Kim urged the leaders to "pay more attention to providing the second and third generations of Korean residents in Japan with national education."

ROK: Japan Reportedly Tried To Develop Atomic Bomb During WWII

*SK0607070896 Seoul YONHAP in English
0122 GMT 6 Jul 96*

[FBIS Transcribed Text] Washington, July 5 (YONHAP) — Japan had an atomic bomb program of its own during World War II and conducted what appeared to be a nuclear test along a North Korean coast immediately before its defeat in 1945, it was learned here Friday.

Charles Stone, director of the Stone and Associates Institute, disclosed this quoting World War II-related documents recently declassified by the U.S. Administration.

According to the documents, the former Soviet Union, after occupying North Korea, seized Japanese nuclear engineers and secret facilities for use in developing its own nuclear bombs.

The United States, in its part, took from the defeated Japanese Army a large amount of documents relating to the nuclear program of Japan.

Stone said there were persistent and consistent reports of a device being tested off the northern Korean coast on the morning of Aug. 12, 1945, a mere three days before their defeat.

According to the documents, the industrial area of Hungnam along the east coast of North Korea had been one of the key facilities of the Soviet nuclear program until 1950, the year when the Korean war broke out.

This is why, they said, Hungnam had been singled out by the U.S. Joint Chiefs of Staff as the target of concentrated bombing.

Stone said that evidence has been found of Japanese efforts to make heavy water as early as 1936 at the

Hungnam facilities built by a Japanese industrialist, Jun Noguchi.

Evidence also indicated that Japan actively explored and mined nuclear ores in many areas in South Korea, Manchuria and Japan, he said.

All these proved that the nuclear programs of the former Soviet Union and China had something to do directly or indirectly with the past nuclear facilities of Japan in northern Korea, Stone said.

ROK: Japanese Foreign Minister Regrets 'Ultrarightist' Incident

*SK1207103196 Seoul YONHAP in English
0917 GMT 12 Jul 96*

[FBIS Transcribed Text] Seoul, July 12 (YONHAP) — Japanese Foreign Minister Yukihiko Ikeda Friday expressed regret over the incident in which an ultrarightist Japanese drove his truck into the main entrance of the South Korean Embassy in Tokyo, Foreign Ministry Spokesman So Tae-won said.

Ikeda also promised that the Japanese Government will try its best to prevent recurrence of such an incident, according to So.

The South Korean Government will demand compensation for the damage caused by the crash to the ultrarightist group to which the Japanese man belonged, So said.

The man denounced South Korea for occupying Tokyo for the past decades, insisting the island belongs to Japan.

ROK: Foreign Ministry Expresses Regret Over Tokyo Incident

*SK1207131896 Seoul YONHAP in English
1248 GMT 12 Jul 96*

[FBIS Transcribed Text] Seoul, July 12 (YONHAP) — A Foreign Ministry official on Friday evening expressed a regret over the incident in which a Japanese rightist youth rammed his car into the front gate of the Korean Embassy in Tokyo earlier in the day.

"Japanese Foreign Minister Ikeda offered an apology to us soon after the incident. But, we, in our part, ask the Japanese Government to take necessary steps so as to prevent the recurrence of a similar incident," the official said in a comment.

Describing the incident as "shocking," the official said it is highly regrettable that the incident occurred at a time when a friendly cooperative atmosphere is building up

between the two countries following the recent Korea-Japan summit meeting on Cheju-Do.

ROK Article Reviews Status of ROK Entry Into OECD

SK1007014596 Seoul THE KOREA TIMES in English 10 Jul 96 p 1

[By Yu Chang-hui]

[FBIS Transcribed Text] Korea seems to be reaching the final stage in its entry into the Organization for Economic Cooperation and Development (OECD). At their second meeting held on July 5, the two major committees of the OECD — the Committee on International Investment and Multilateral Enterprise (CIME) and the Committee on Capital Movements and 2 Invisible Transactions (CMIT) — reviewed Korea's degree of liberalization and concluded that there was no need to hold a third meeting.

The decision by the two committees not to hold their third review meeting can be interpreted in one of two ways. First, the OECD may have concluded that Korea's liberalization has reached the desired level. Or the CIME and CMIT may have concluded for now with the second meeting on the assumption that Korea will accept and implement the committee's previous suggestions on further liberalization.

In my opinion, the second interpretation is probably correct since the two committees have continuously requested that Korea substantially liberalize its capital markets and its customary practices in financial markets to the level of advanced countries. Some of the requests made by the CIME and CMIT have been a sub-mission by the Korean government of a detailed schedule for the complete liberalization of the capital market elevation of the ceiling on investment in stocks by foreigners, opening of the corporate bond market, and permission of trade-related credit by foreigners. In addition, these two committees have suggested that domestic firms be permitted to take out capital loans as well as be free to issue Korean securities in foreign markets.

Thus we can see that the CIME and the CMIT have pushed for complete reform of the Korean capital, financial and investment markets.

The Korean government has reviewed the requests of these two committees in various ways. In particular, by utilizing domestic research institutes, the Korean government concluded a detailed analysis on the effects of the suggestions made by the OECD on the Korean capital and financial markets. This research has shown that although some of the requests will leave Korea's market untouched, other requests will result in Korea

incurring severe losses. It is interesting to note that one study concluded that the issuance of Korean securities in foreign markets will be possible only when the difference between international and domestic interest rates is within 2 percentage points.

In any case, the two most important factors are how the two committees will summarize the results of the second meeting and what future suggestions the committees will make for Korea's further liberalization. In the beginning of September, the two committees will hold a joint meeting at which they will review Korea's commitment to the liberalization of its market and finalize their report.

The other committees such as the Insurance Committee and the Committee on Financial Markets have already finished their review process. However, they are waiting for the CIME-CMIT reports before finalizing their own, thus making the outcome of the September meeting rather crucial for Korea.

Now the ball is in Korea's court. Will Korea push for a strong recommendation to the OECD Council from the September CIME/CMIT meeting? Or by insisting on its current level of liberalization, will Korea put the decision in the OECD's hands? The choice is up to Korea.

Truthfully, both choices have good points and bad. With the first choice, Korea will continue with the current trend by liberalizing some rather sensitive areas. With the latter choice although some diplomatic conflict is expected, Korea will buy itself some time to develop some weaker points in its capital market and financial system. However, the latter choice could fan complications as arose in the agricultural sector during the Uruguay Round.

Also related to Korea's accession to the OECD are several issues which Korea must consider: Whether Korea will keep its developing country status, its relations with non-OECD countries, labor-related issues and environment-related OECD codes. In any case, the fact that the Czech Republic, Hungary and Poland which at the time, faced greater economic difficulty than Korea does now, succeeded in their accession to the OECD, shows that the most important attitude toward accession is determination. It is this determination that will carry Korea into the 21st century and beyond.

ROK Tax Office Plans To Audit Foreign Luxury-Goods Importers

SKI207065696 Seoul *THE KOREA TIMES* in English
12 July 96 p 9

[Report by staff reporter Yi Chang-sop]

[FBIS Transcribed Text] The Office of National Tax Administration (ONTA) is expected to invite strong international criticism for its plan to audit importers of what it called luxurious foreign goods.

ONTA Wednesday (10 July) said it will comb through accounting books of 36,000 businesses mostly engaged in imports of foreign luxurious products, entertainment, food chains and real estate.

The announcement came amid the growing concern about the widening deficit in the broader measure of external transactions called international current account.

The tax office said it will closely monitor 36,000 businesses aimed at "controlling the spread of decadent culture and excessive spending." They will be also checked to see whether they evade taxes.

Targets for crackdown include 21,000 people running upscale restaurants, "room salons" and importers, 1,800 businessmen selling expensive consumer goods, and 13,000 real estate brokers.

The tax office's announcement runs counter to Deputy Premier and Finance-Economy Minister Na Ung-pae's repeated statement that any attempt to reduce the trade deficit through a crackdown on importers or by establishing invisible trade barriers will only cause foreign criticism. Despite the growing imports of commodities such as cars, golf sets, whisky and cosmetics, consumer goods accounted for less than 10.5 percent of import bills in Korea, according to the Ministry of Trade, Industry and Energy. In addition, grain and other food products are categorized as consumer goods.

The Korean tax office has repeatedly been a subject of mockery in such international fora as the Organization for Economic Cooperation and Development (OECD). Observers well versed in the nuts and bolts of the OECD Fiscal Committee said the latest tax office's action might be a controversial topic again and might cast a cloud over the nation's planned entry into the Paris-based club in September.

Over the past 20 months, the OECD Fiscal Committee has taken issue with the way the Korean tax office conducts its duty, although it praised Seoul's tax system for being broadly in line with international standards. For example, each year the tax office had announced the list of 100 top income taxpayers. From the Korean perspective, it was an annual event. But according to

the OECD, it was a great infringement on the rights of taxpayers. Upon the OECD's complaint, the tax office suspended the practice.

Another example of how the Korean tax office invited OECD criticism was its repeated announcement that it will exempt farmers affected by typhoons and troubled small businesses from being subject to a tax audit for six to 12 months.

It indicated, at least from the OECD perspective, that the farmers and small business owners would be given a "state guarantee to evade taxes for the cited period." In the past, it was "effective" when ONTA used its tax audit as a tool to realize the national objective.

They said Korean tax officials appeared not to have shed the outdated mentality that their move to trace importers of what is called luxurious goods will reduce the trade deficit and lead to a frugal way of living among the people.

Under the OECD rule, its members are expected to adopt a tax administration that does not favor or disfavor taxpayers just for political purposes.

ROK Domestic Firms Leading Foreign Investors in Uzbekistan

SKI207061096 Seoul *THE KOREA TIMES* in English
12 July 96 p

[By staff reporter No Chun-hun]

[FBIS Transcribed Text] South Korea is currently the leading investor in Uzbekistan, one of the 15 members of the Commonwealth of Independent States, and the former socialist country is offering many incentives to attract more investments.

In a press conference Uzbekistan Vice Premier Viktor Chzhen said his country has 3.3 trillion dollars worth of natural resources which have not yet been explored by domestic and foreign companies.

"Already, 960 billion dollars worth is being explored and there are abundant opportunities for foreigners to take part in the exploration of more natural resources in Uzbekistan," he said.

Chzhen and a dozen Uzbekistan businessmen and senior government officials are in Seoul to meet with ranking Korean officials and to attend the second meeting of the Korean-Uzbekistan Committee for Trade and Economic Cooperation.

He told reporters yesterday morning that his meetings with Korean officials have centered on the avoidance of double taxation and more investment in the CIS republic.

Chzhen went on to say that his republic provides one of the most competitive environments for investments, including exemption from new laws and regulations for 10 years after a new company is established.

"Many people think that there are infrastructural shortages in Uzbekistan but this is not true. All we need is the capital to realize the huge potential of our republic," Chzhen said. At 500 million dollars, he said, Korean companies are the largest investors in Uzbekistan and there is potential for further investment in his country, including the defense industry.

The Korean government has extended a line of credit worth 45 million dollars to our republic but this is not enough to realize progress. We have asked for a second installment in financial support," Chzhen explained.

He said another proposal he made during this visit was the establishment of a bilateral investment fund at the private level to ensure that the funding and the exchange of information among small companies are realized.

"The fund will be responsible for everything from the selection of suitable partners for various projects to the provision of legal advice for small companies, Chzhen noted.

ROK University Presidents Agree To Counter Student Violence

SK0607021896 (Internet) *The Digital Chosun Ilbo*
WWW in English 1205 GMT 5 Jul 96

[FBIS Transcribed Text] College and university presidents made a decision to counter leftist student violence on Friday at a plenary session of the Korean University Educational Association held in Kyongju city. The presidents noted that in many schools, there have been incidents of repetitive violence, including sit-in strikes, damage to school authorities' offices, and destruction of school facilities. The majority of students, moreover, suffer from a loss of study.

The Minister of Education, An Pyong-yong, reported at the meeting that there has been 3,000 student demonstrations this year and that 40,000 Molotov cocktails have been thrown to date in some 300 incidents.

ROK: NKP Chairman, ULD President Discuss Assembly Affairs

SK1207112596 Seoul YONHAP in English
0647 GMT 12 Jul 96

[FBIS Transcribed Text] Seoul, July 12 (YONHAP) — Yi Hong-ku, chairman of the ruling New Korea Party (NKP), called on Kim Chong-pil, president of the opposition United Liberal Democrats (ULD), at the

latter's parliamentary office Friday morning to exchange views on cooperation and management of state affairs.

In their 30-minute meeting, Yi and Kim exchanged apologies for the month-long parliamentary standoff and agreed that in the future political issues should be resolved through cooperation in the National Assembly.

"We discussed the need for smooth parliamentary operations based on cooperation," Yi told reporters following the talks. "We agreed to make a concerted effort to improve the image of the national assembly so that it is viewed as an important arena for resolving problems."

ULD Spokesman An Taek-su quoted Kim as saying. "We agreed to strive for political dialogue in parliament, a sanctuary for public opinion. We also agreed on the need to put forth our best effort in the National Assembly to promote bipartisan cooperation."

With regard to the political stalemate delaying the opening of parliament, Yi said, "I had a heavy heart for wasting a month by not opening the National Assembly." Kim was quoted as responding, "As I mentioned in my parliamentary address today, I too had a heavy heart. Let's not allow a similar misfortune to recur in future."

When asked if Kim had mentioned the ruling party's attempt to recruit more independent lawmakers, Yi answered, "Not at all."

The political impasse was caused by the ruling party's post-election efforts to gain a parliamentary majority by recruiting 12 independent and opposition lawmakers.

The two political leaders reportedly agreed to have informal contacts in future. Kim was said to have proposed a four-man meeting attended by President Kim Yong-sam, opposition leaders Kim Tae-chung and himself, and NKP chairman Yi.

President Kim is scheduled to meet the two opposition leaders separately next week.

Yi is scheduled to call on Kim Tae-chung Saturday at the major opposition National Congress for New Politics headquarters in Yoido.

This is the first time for the ruling party chairman to have a series of meetings with the opposition leaders since the current administration took office in 1993.

ROK: Kim Chong-pil Outlines ULD Policies in Assembly Session

SK1207031596 Seoul YONHAP in English
0204 GMT 12 Jul 96

[FBIS Transcribed Text] Seoul, July 12 (YONHAP) — President Kim Chong-pil of the minor opposition United

Liberal Democrats (ULD) again called for a cabinet system of government Friday, claiming that the existing presidential system has only caused provincial conflict of political interests to tear politics asunder.

Delivering a speech outlining his party's policies at a National Assembly plenary session, the long-time advocate of the cabinet system said the issue of whether or not a cabinet system should be introduced must be dealt with from a perspective of national rather than political party interests.

The sooner a cabinet system is introduced, the better, he asserted and urged President Kim Yong-sam to take the necessary steps toward this goal.

He cited change in the power (government) structure, attainment of 30,000-dollar per capita income, construction of a community where all will prosper together and national reunification as the pressing task facing the nation, and said the mission of the 15th National Assembly is to lay a foundation for accomplishing these tasks.

Parliament must use the two special committees that will be formed according to an agreement between the ruling and opposition parties to establish a tradition of fair elections and lay the foundation for "dialogue politics."

If the ruling party breaks its promise to the people, opposition forces will again unite to strongly resist, he warned.

Kim also warned against the ruling party's move to exclude political parties from local elections in basic or lower-level administrative districts, such as provincial counties and metropolitan wards, saying if the ruling party continues to push the proposition, it will find itself in a serious situation.

Stressing that the government should be aware that the economy is "in an overall structural crisis," he called on the government to refrain from taking "shock-therapy" measures, suspend aid to and lift restrictions on large businesses, retrench as much as possible, sharpen the edge of national competitiveness, make preparations for opening the market further and take steps to lower interest rates.

Kim also stressed the need to modify the real-name financial transaction system, asserting that the system has hurt businesses, especially small businesses.

ROK President Names Chairmen of 9 National Assembly Committees

SK0507104096 Seoul YONHAP in English
0958 GMT 5 Jul 96

[FBIS Transcribed Text] Seoul, July 5 (YONHAP) — President Kim Yong-sam, concurrent head of the ruling

New Korea Party [NKP], designated the chairmen of nine National Assembly standing committees Friday.

Under a partisan agreement, the heads of seven remaining assembly committees are to be chosen by the opposition parties having floor negotiation bodies — four by the National Congress for New Politics and three by the United Liberal Democrats.

The NKP nominees included So Chong-won, NKP floor leader, tapped as chairman of the Steering Committee; Kang Chae-sop as head of the Legislation and Judiciary Committee; Hwang Pyong-tae as chairman of the Finance and Economy Committee; and Pak Kwan-yong as head of the Unification and Foreign Affairs Committee.

Other designees were Yi Tack-sok tapped as chairman of the Home Affairs Committee; Kim Yong-ku as head of the National Defense Committee; Yi Se-ki as chairman of the Culture, Sports and Information Committee; Pack Nam-chi as head of the Construction and Transportation Committee; and Kim Chong-ho as chairman of the Intelligence Committee.

ROK: National Assembly Members Polled on Labor Issues

SK0607070996 Seoul THE KOREA TIMES in English
6 Jul 96 p 3

[FBIS Transcribed Text] Lawmakers of the new 15th-term National Assembly agree, on the whole, with the political activities by labor unions and duplicate unions at worksites, which are crucial issues over which the government and unionized workers are at odds, a survey showed yesterday.

But the lawmakers are opposed to the idea of vesting teachers with the collective action right in case they are allowed to organize trade unions, which is currently outlawed.

The Daily Labor News, a specialized labor newspaper, sent people out to question 150 of the total 299 lawmakers about the overall labor problems for the survey.

The legislators were found in the survey to be negative toward the revision of labor laws during the regular House session opening in September.

Sixty-four percent of the lawmakers said that trade unions should be allowed to engage in political activity through the revision of the law, while 27 percent said they should not.

As for having more than one union at one company, 45.3 percent said that the formula should be adopted on

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a full scale, and 39.3 percent approved it conditionally, compared to 4.7 percent against the idea.

The lawmakers were agreeable to allowing teachers to organize a trade union with 83.3 percent supporting it. But more than half of them voiced the need for a restriction on the right to strike.

Asked if labor laws can be revised during this year's regular Assembly session, 32 percent said yes, 30.7 percent said next year, and 21.3 percent opined that the revision should be discussed in the next government.

The lawmakers also turned out to be critical of the current administration in connection with the present "problematic" labor-management relations. The government is most responsible (47.3 percent), followed by employers (25.3 percent) and workers (2.7 percent), according to the survey.

ROK: Presidential Secretary for Political Affairs Appointed

*SK0407023896 Seoul YONHAP in English
0217 GMT 4 Jul 96*

[FBIS Transcribed Text] Seoul, July 4 (YONHAP) — Pak Chin, presidential secretary for international affairs, was named presidential secretary for political affairs (planning) Thursday.

Son U-hyon, chief of the Information Ministry's Foreign Press Department, is likely to be named to fill his shoes, informed sources said.

ROK Prime Minister Calls Price Stability 'Top Priority'

*SK1007013596 Seoul THE KOREA TIMES in English
10 Jul 96 p 2*

[FBIS Transcribed Text] Prime Minister Yi Su-song has said the government would give top policy priority to stabilizing consumers' prices in the interest of the people.

In an address to the National Assembly plenary session on government policy directions yesterday, he admitted to the difficult economic situation caused by spiralling price hikes and a snowballing balance of payment deficit.

However, he said he is confident of overcoming them on the strength of "our past experience and capabilities."

"The administration's economic policy for the latter half of the year will focus on price stability and curing structural problems that have created a shortfall in the balance of international payments," he said.

The government will exert itself to hold inflation below the original target of 4.5 percent for the year, Yi pledged.

"Deregulation will be actively pursued rather than seeking short-term remedial steps," he said.

He went on to say the government will induce enhanced competition in banking institutions, as well as help them expand their business scope, wherein interest rates can be lowered structurally.

It will also continuously seek a structural change in industry to rectify high costs involving wages and land prices, he added.

He said that the government will enhance transparency in economic laws and regulations, and elements of waste in government spending will be drastically curtailed, he said.

Then, he also called upon businesses to make management more transparent and establish an order of fair competition.

Regarding North Korea, Yi said, "We understand that the North is experiencing hardships from internal difficulties, and that their food shortages are serious. Once the proposed four-way peace talks take place, we should be able to discuss in detail earnest government-level support for the North and inter-Korean economic cooperation."

Expressing determination to solve water pollution problems, Yi said, "The administration is determined to deal sternly with acts of contaminating piped water sources. An effective water management formula designed to secure water resources and improve water quality will be established and implemented."

On eliminating corruption among civil servants, Yi mentioned a reinforced crackdown and preventive measures through the institutional reform of elements conducive to irregularities.

Drawing a thick line against the force attacking the free democratic system the prime minister said the administration will get tough to protect the lives and property of the general public.

He said organized crimes are now spreading in society. Calling them anti-society crimes, he said the administration's efforts against them will continue unabated with added determination.

Lamenting a spate of crimes abusing children, he said special efforts by the government will be exerted to protect children from violence, traffic accidents and bad food.

Today, ruling New Korea Party chairman Yi Hong-ku will give a policy speech representing the ruling party. Rep. Yu Chae-kon, representing the National Congress for New Politics, and Rep. Kim Chong-pil of the United Liberal Democrats will take the floor tomorrow and Friday, respectively.

ROK Considers Steps To Combat Threat of Terrorism

*SK0507094496 Seoul YONHAP in English
0908 GMT 5 Jul 96*

[FBIS Transcribed Text] Seoul, July 5 (YONHAP) — Prompted by recent international terrorist outrages, including the bombing of the U.S. military facilities in Saudi Arabia, the government held Friday a national anti-terror committee meeting to work out measures to counter possible terrorism at home and abroad, with officials from Chongwadae [presidential offices], the Agency for National Security Planning (NSP) and other ministries concerned attending.

The meeting, presided over by Home Minister Kim U-sok, was held five years after a similar meeting was held during the Gulf war in February 1991.

Those in attendance agreed that international terrors are becoming more atrocious than ever in nature, often aiming at the lives of many and unspecified persons.

The participants pointed out that under such circumstances, North Korea could provoke terrorist acts against South Korea in an attempt to escape such difficulties as food shortages and a rush of defections to the South.

To cope with these situations, the government has decided to expand the civilian-government-military exchanges of information on terrorism, to maintain cooperative ties with foreign intelligence and security agencies such as CIA and FBI of the United States, and to fundamentally block international terrorists' infiltration of the nation and the covert importation of explosives and arms.

On top of that, the government will beef up security and inspections in airports, ports, nuclear power stations, foreign missions and other important facilities.

NSP said that a total of 214 terrorist outrages took place across the world between January-June this year. Some 20 cases targeting Koreans have occurred since 1990.

ROK Plans To Replace Hawks With Medium-Range SAM System

*SK1207060596 Seoul THE KOREA TIMES in English
12 July 96 p 1*

[By staff reporter O Yong-chin]

[FBIS Transcribed Text] South Korea plans to develop a medium-range SAM (surface to air missile) system to replace its vintage Hawks, which were given it by the United States as part of a military aid program in the 1960s and remain key interceptor missiles.

A senior ROK Joint Chiefs of Staff (JCS) officer said yesterday that a study has been ordered of an appropriate timetable for phasing out the old Hawks under the supervision of the Air Force.

"The JCS will order the development of M-SAMs and produce them in time for the phaseout of the Hawks," he said on condition of anonymity. M-SAMs intercept enemy aircraft within the range of 30 to 40 kilometers.

"At present, the best way of acquiring M-SAMs appears to be to join with a partner who will be responsible for providing core technologies," he said. "As for the timetable, the sooner, the better seems appropriate."

He added that the procurement of M-SAM systems available on the market will not take place because it would run counter to the technology acquisition-first policy followed in acquiring new weapons system. "We have to consider exporting them once they are mass produced and this means it is better to develop a system than purchase one."

Possible candidates for partnership on the basis of these considerations include France, Russia and the United States. Korea developed K-SAM with the help of France, a pacemaker among the countries possessing the high tech.

Korea currently maintains a multi-layered anti-aircraft system, including self-propelled anti-aircraft guns, a K-SAM short-range anti-aircraft missile system, medium-range Hawks and a Nike-Hercules system. After the two old anti-aircraft systems are phased out, they will be modified and used as surface to surface missiles.

The Air Force puts high priority on the buildup of its anti-aircraft missile systems in consideration of the multiple threat posed by the North's aging but large fleet of attack aircraft.

Another ROK JCS officer said that a more pressing need is replacement of the Nike-Hercules system given as military aid in the 1960s.

"The Air Force considered importing Russia-made S-1000 SAMs because their price was reasonable and their capabilities excellent but we dropped the idea. A viable alternative is the Patriot System but we hesitated because it is too expensive," he said.

A military observer said that the South does not have a reliable aircraft interception missile system and, therefore, the acquisition of such weapons and the technology to develop them are urgently required to counter the North's threat.

ROK: Shipbuilders 'Suffering' From Downturn in Orders Backlog

*SK0407031896 Seoul YONHAP in English
0253 GMT 4 Jul 96*

[FBIS Transcribed Text] Seoul, July 4 (YONHAP) — The Korean shipbuilding industry is suffering from a downturn in the backlog of orders led by a weak Japanese yen and expansion of the industry's capacity, according to a source at Korean Shipbuilding Industry Association.

The backlog of orders based on the gross tonnage of ships stood at 11,908,000 tons at the end of June, down 5.3 percent from the previous month, and down 11.2 percent from a year earlier.

The orders backlog at the end of June is only enough to keep the shipbuilding industry operating for one year and five months, considering the country's shipbuilding capacity of 8.5 million tons. This is first time in four years that the orders backlog shrank to the equivalent to one year and five months. An orders backlog covering two years is considered normal for the Korean shipbuilding industry.

The backlog decline is attributed to the fact that the orders received so far this year are down 40 percent from last year and that the country's shipbuilding capacity rose by three million tons because of dockyard expansions by big shipbuilders last year.

"Orders backlog can be kept stable only when actual shipbuilding performance is on par with the volume of orders, but the backlog is bound to shrink under the present condition in which shipbuilding capacity nearly doubles the volume orders," the source said.

"We have no way but to look to the orders for domestic liquefied natural gas carriers, and recovery of the world oil tank shipbuilding market."

ROK: 1965-95 Demographic Trends Outlined

*SK0407084596 Seoul YONHAP in English
0726 GMT 4 Jul 96*

[FBIS Transcribed Text] Seoul, July 4 (YONHAP) — For what you bought for 10,000 won in 1965, you had to pay 198,807 won in 1995 because of runaway inflation over the years, according to the socio-economic figures covering the 1960-1995 period which the National Statistical Office released Thursday.

The number of babies per fertile woman, aged 15 through 49, fell from six in 1960 to 1.8 in 1994, thanks to the family planning program launched by the government.

But divorces have increased 5.7 times from 12,000 in 1970 to 66,000 in 1994, while marriages rose only 1.3 times from 295,000 to 380,000 in the period.

The banknote issue soared from 15 billion won in 1960 to 17.32 trillion won in 1995, with the money supply surging from 23 billion won to 38.87 trillion won.

Per capita taxes jumped from 1,200 won to 1,596,100 won in the same 35-year period, as per capita GNP (Gross National Product) rose from 79 dollars to 10,076 dollars. The GNP increased from 1.9 billion dollars to 451.7 billion dollars.

The life expectancy increased from 52.4 years (51.4 years for male and 53.7 years for female) in 1960 to 72.8 years (68.9 years for male and 76.8 years for female) in 1993.

Between 1965 and 1994, the average height of third-grade middle school students (aged 14) rose from 149.9cm to 164.4cm for male and from 147.6cm to 157.6cm for female.

Their average weight also increased from 41.1kg to 54.2kg for male and from 41.5kg to 51.2kg for female.

Victims of industrial accidents increased from 1,489 in 1964 to 85,948 in 1994, and criminals also increased from 391,200 in 1973 to 1,660,100 in 1994.

Juvenile delinquents, aged 19 and below, increased from 48,000 in 1973 to 108,000 in 1994.

Fires also increased from 1,946, or 5.3 per day, in 1960 to 26,170, or 71.7 per day, in 1995.

Burma

Burma: Article Notes Talk Preconditions With U.S. BK1107133496 Rangoon *THE NEW LIGHT OF MYANMAR* 10 Jul 96 p 5

[Article in dialogue form by Thaniyet: "Time They Realized"]

[FBIS Transcribed Text] Thaniyet: Hey, U Myo Chit, what are you reading? Are you reading your own articles?

U Myo Chit: Absolutely not. They are not the articles I have written. As you know, I have no time to write. I just answer questions when you come and ask me. You are the ones who have been writing articles.

Thaniyet: Well, it is because I have been reading article series titled "Let's Tell the Truth" by "Myo Chit". I was happy and welcomed you because I thought you, U Myo Chit, have taken up a place.

U Myo Chit: No, Thaniyet. That's his pen-name. But what he has been telling the truth coincides with what we are thinking of the truth. Here is what you have written in your article, "Oh! That's the reason." Here, please read it again:

"U Myo Chit: Well, this is no small matter. When I continued to read the article I found in the middle of it a revelation about Philip Shenan the columnist of THE HERALD TRIBUNE who has always been critical of Myanmar [Burma]. He is known to be a qualified correspondent but an interesting point about him is that he is a close colleague of Englishman Michael Aris, the husband of Daw Suu Kyi. After reading it, my expectations with attachment for the lady for her being a daughter of a leader and a martyr of Myanmar vanished.

"Thaniyet: Oh! To that extent, U Myo Chit?

"U Myo Chit: Yes, Thaniyet. The more I ponder over it the more I am worried. I could not imagine what would happen if she were to win the leadership. For me, it is quite obvious like an elephant moving in the field as the saying goes."

U Myo Chit: That is right. The point is dealt with more specifically in "Let's Tell the Truth" article series. It is evident that the writer "Myo Chit" has written it in disgust. He seemed to be very much displeased with the lady's marrying an Englishman whose race killed her great grandfather and father in spite of her being a daughter of a noted patriot of Myanmar. He appeared to have been concerned that state security and defence secrets would appear to be placed right in the hands of outsiders like the Leiks [Burmese derogatory abbreviation for English] and the Kans

[Burmese derogatory abbreviation for American] if she were to be given the leadership.

Thaniyet: The truth was also indicated in the article series that she has antagonized the Tatmadaw [Defense Services] which can never be separated from all matters and causes of Myanmar's past, present, and future attempted through incitements to cause its disintegration and destruction since she got onto the stage.

U Myo Chit: Concerning this, it is necessary to see who pulled her onto the stage during the 8-8-88 disturbances. Those who masterminded to incite a situation to cause disintegration of the Tatmadaw, destabilize and see everything done by it from the negative angle were the Communist group and the Leik-Kan CIA.

Myanmar could advance taking the leading position in Asia if its nationals strove in unity after regaining independence but the communists were those who subverted the nation from within. They would not care if the country was reduced to ashes if they did not win power. For four full decades, they made all attempts both above-ground and underground employing different wiles and tactics and seeking all kinds of foreign help to seize power. The Tatmadaw had been the only organization that went after and crushed the White and Red Communists wherever they went. It finally put the Communists to an end. Obviously, they felt bitter toward the Tatmadaw.

Well, when the Leik had to flee the Kan resorted to all means to gain a foothold in Myanmar. After Myanmar regained her independence, it approached Myanmar Government through organs such as ECA, TCA [expansions unknown], Ford Foundation, Asia Foundation and so on. A group like a missionary medical team like Seagrave's tried to establish a base in Myanmar's north. Most overtly, the CIA supported the KMT Nationalist Chinese and established a foothold in eastern Myanmar. Drug trafficking was then given its origin in the so-called Golden Triangle area.

The Myanmar Tatmadaw in defence against danger to State stopped the acts of the Kan and put an end to all that. The Kan, too, was bitter about it.

The Kan which declared itself to be anti-Communist and communist UGs' [Underground] whose days were numbered took advantage of the Phone Maw incident and joined hands. They colluded. They had been able to create the 8-8-88 disturbances. At that very moment, Ma Suu Kyi, who had decided to leave Myanmar for good and was well established in the West as a wife of an Englishman, was pushed like a puppet unwittingly onto the stage. From then onwards, the method of confrontation has been applied.

Thanlyet: At this point, something comes to my mind. It is that the so-called well-informed Leik and Kan people of the big nations could not understand and were not aware of how to serve their interests and realize their objectives through peaceful means. It is astonishing.

U Myo Chit: Well, let's consider points about the Leik. The Leik knows Myanmar to some extent since he stayed in and studied Myanmar for more than 100 years. He had considerable knowledge concerning Myanmar attitude influenced by Buddhism. Myanmar people managed to forget the brutal exploitation, plundering and attack in Myanmar by the English for they handed over independence and the administration systematically. The English were forgiven. Bogyoke [General] Aung San had been a close associate of Englishmen like Mr Attlee, Lord Mountbatten who were noted for their kind heart. They looked forward to Myanmar's good future. Myanmar would like to maintain friendly ties with the English based on equality. However, the Conservatives and Winston Churchill could not stand a situation where the Sun had set in the British Empire. Before their departure from Myanmar they had eliminated Myanmar leaders. They sowed racial discord among the national races through the divide-and-rule system. From then on, the Leik and Myanmar have drifted more and more apart.

Thanlyet: What happened with the Kan?

U Myo Chit: The Kan and Myanmar had sympathy toward each other in the distant past. I will not go into historical details. When the Myanmar were struggling to set themselves free from the rule of the English, they studied how the United States of America was established. They praised them, envied them and tried to emulate them. Messages of greetings were exchanged during the time of President Buchanan and King Mindon and ties were established.

However, the Americans changed as the world situation did. At the end of the Second World War, Europe got very much poor while the United States of America became rich because it could take advantage of the War. Education standard at universities advanced to a higher level thanks to immigration of European intellectuals and intelligentsia. America rapidly advanced to the world's top position after the Second World War.

Although they could secure the world's leading position owing to favourable conditions in their relations with culturally mature Eastern nations and Europe. (Americans were not actually mature.) They used force and arrogance in their relations with other nations and peoples due to which problems occurred everywhere. There were problems wherever Americans interfered, problems arose in areas where there were none before and

problems got worse in areas where there were already some. They must be put down as arrogant and awkward.

Thanlyet: Right, U Myo Chit. We, just called the Kan the son of a village headman. Once there was a headman who had a son, who bullied others through his father's influence. After passing the fourth grade at the village school, he was sent to a Yangon [Rangoon] school. On the first day in Yangon, he and his father went to the Rowe & Company, bought a pair of shoes which he immediately put on and went to school limping. The headman's son who bullied others in his village behaved likewise in the new school and was also a braggart. Yangon students did not put him in his place but flattered him. At tea shop, they made him treat them. The more he was flattered the more he lavished on them. Then, his father had to take him home before a year passed. In like manner, every smart country flatters the Americans to get money.

U Myo Chit: You described such persons as the headman's son. But we have a similar fellow we call "Nga Pwa Gyi". He was the headman's son at the monastery. He was quarrelsome and fighting with everyone. One day, the monk heard some noise resulting from a brawl. He asked who were involved. The pupils replied that it was Nga Pwa Gyi. Then the monk shouted, "I know Nga Pwa Gyi is in it, I want to know the other party." It is the same in the world today. Every time a problem arises the Leik-Kan Nga Pwa Gyi are involved.

Thanlyet: There is no need to extolling the qualities of Nga Pwa Gyi. What is your opinion on how they can maintain cordial relations with Myanmar?

U Myo Chit: I have already told you. They will not find any difficulty in maintaining relations with Myanmar if they understand well Myanmar people and their attitude. Myanmar people are good natured, hospitable and cordial in their dealings. In appreciation of gratitude they owe they are ready to reciprocate kindness and goodwill. They will resist, at the risk of life, any arrogance, insult or injustice done to them. That's for sure. Everything will go well and smoothly if frank and sincere relations based on equality are maintained with them.

You know, Thanlyet, all the Myanmar nationals would like to live in peace. They antagonize no one. They have no desire to wrong anyone. At the same time, they will not allow others to do that. Plainly put, Myanmar would like to remain in Asia just like Switzerland in Europe. It would like to maintain good and peaceful relations with nations large and small and far and near.

Thanlyet: Well, my attitude is the same. I don't know why they wish to antagonize a nation which would like to remain peaceful in its own way in the world. They have their own problems. Still, it is unthinkable why they wish to trouble Myanmar and antagonize it.

U Myo Chit: Forgetting the rough road they have had to travel to reach this stage, they wish to see their kind of mature, well-trained and standard democracy in a small nation where democracy is just being nurtured. It will not work all of a sudden.

Thanlyet: You mean, the goal can be achieved through persuasion, positive attitude, mutual help, compromise and flexibility desiring mutual benefit. Don't you agree?

U Myo Chit: Exactly. But acts endangering the nation with the pretext of human rights must be stopped. Obviously, these pretexts are not the main reasons. Mutual interests and matters of Asian and world interests can be discussed in coordination, most extensively and peacefully. But something of a floor price is to be set.

Thanlyet: What do you mean by setting a floor price?

U Myo Chit: Don't you know that? When a jade block is sold through competitive bidding at the Myanmar Gems Emporium, the floor price is first set. Similarly, if we are going to discuss matters of mutual benefit, it will be necessary to close the soap-opera on University Avenue and at the same time, the puppet princess and the director who manipulates from behind the curtain should be withdrawn from the Myanmar stage. Instead, they should be made to play a role on an appropriate higher stage, for instance like the United Nations. Beginning with that floor price, both sides can say the price and compromise. It will then be mutually beneficial.

Indeed, career diplomats are very intelligent and well-informed. They are responsible for keeping the American people informed of authentic news about all-round development and prevalence of stability and peace in Myanmar and its desire to participate in dignity in working for world peace during the time of the State Law and Order Restoration Council. If the diplomats pretend not to see the objective conditions and remain indifferent to dissemination of false news by VOA, BBC and various publications, they are harming the interest of their own nation.

Burma: Norwegian Minister Says Consul Tortured Prior to Death

BK1207024696 Bangkok BANGKOK POST
in English 12 Jul 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Norway said yesterday it had evidence that its honorary consul in Burma was tortured before he died in a Rangoon prison last month.

Norwegian Deputy Foreign Minister Jan Egeland said Oslo held the Burmese military government responsible for the death of honorary consul Leo Nichols, a 65-year-old diabetic with a heart condition, after he was convicted of operating home telephones and fax machines without permission.

"He was subjected to sleep deprivation in prison and he was not given adequate medical treatment," Mr Egeland told reporters.

"Sleep deprivation is a commonly known torture technique. That it was used on a person with a heart ailment and who had diabetes makes us hold the Burmese authorities responsible for his death."

Mr Nichols, an unaccredited representative for Denmark, Norway, Finland and Switzerland, died on June 23 after he was sentenced to a three-year prison term in May.

"We have undertaken investigations inside Burma and outside from various independent sources, and it is now beyond any doubt that Mr Nichols was a political prisoner," Mr Egeland said.

Diplomats and opposition sources say they believe Mr Nichols, a businessman of Burmese and British descent, was jailed because of his close links with opposition leader Aung San Suu Kyi and her National League for Democracy party.

Differing accounts say he died of a heart attack or stroke.

Human rights organizations have also suggested Mr Nichols may have died as a result of sleep deprivation during interrogation.

Mr Egeland said there were unconfirmed rumours that other forms of torture had been used. Norway also had evidence that Mr Nichols died in jail and not in hospital.

Burma: Minister Warns Correspondents Over 'Subjective' Reporting

BK1207033496 Rangoon TV Myanmar Network in Burmese 1330 GMT 11 Jul 96

[FBIS Translated Text] Major General Aye Kyaw, minister of information, held a cordial meeting with foreign correspondents of Myanmar (Burma) at 1000 this morning at the conference hall of the Office of the Minister of Information on Bo Aung Kyaw Street in Yangon (Rangoon). He spoke and discussed matters related to information.

Minister Maj. Gen. Aye Kyaw said following its assumption of state responsibilities, the government systematically formed the Foreign Correspondents Club of Myanmar (Burma) (FCCM) and made arrangements for their office. He said the government recognized the club and conducted relations with it with respect. The organization has been invited to attend state functions and arrangements were made for the foreign correspondents to freely report to their respective news agencies. He said it is known to all how the authorities recognized the foreign correspondents.

He said the unique feature of the FCCM is that except for XINHUA correspondent, Mr. (Zhou Yung Pei), all foreign correspondents are Myanmar citizens. He noted in other countries, foreign correspondents are foreigners who have no attachment to the countries they are assigned to and are loyal only to their own country. Maj. Gen. Aye Kyaw said since foreign correspondents are Myanmar citizens it is necessary that they be patriotic. However, he said, the action of some journalists from the foreign news agencies have created some misunderstanding. He said we are relentlessly working night and day to develop the country into a modern and developed nation according to the 12 set objectives. He said it is necessary to have a clear and unbiased outlook free of subjectivity toward the works of the State Law and Order Restoration Council and to be patriotic.

He said no investigations have been carried out on the subjective work of some foreign correspondents. However, he said we are aware of who they are. He said he believed that members of the FCCM — a unique organization formed by Myanmar citizens — would shoulder their responsibilities objectively. He called on the correspondents to discuss their needs, and weaknesses and strengths in collecting and dispatching news.

Next, U Sein Win, chairman of the FCCM and foreign correspondents who were present at the meeting presented their views on gathering and dispatching news. The meeting ended at 1115 after Information Minister

Maj. Gen. Aye Kyaw replied on the points raised at the meeting.

[Hong Kong AFP in English at 1143 GMT on 11 Jul in a Rangoon datelined report, adds the following: 'Meeting with 17 local members of the Foreign Correspondents Club (FCC), Aye Kyaw said he deplored what he called biased reports sent by members based on false accusations against the government by the opposition.

'He accused opposition leader Aung San Suu Kyi of using the whole spectrum of the foreign media to attack the military government and warned there was limit to its patience. He did not elaborate.

'Aye Kyaw added that there was no need for dialogue with the opposition, which Aung San Suu Kyi has repeatedly demanded since her release from six years of house arrest a year ago.

"Why do we need a dialogue when there is a National Convention ... which is the platform for dialogue," he said. "There's no need to discuss anything with us."

"You will not be doing your duty as a citizen if you write about things that are not true," he said, urging the journalists to report accurately on the situation in Burma and give credit where it was due.

'Aye Kyaw said the military, despite facing numerous obstacles, was committed to turning Burma into a peaceful, modern and developed state where multi-party democracy prevailed.

"We have laid down clearly defined political, economic and social objectives ... and as a disciplined and well-trained institution ... we know exactly what to do and how to go about it," he said.

'Burma today, the general said, was seeing spectacular changes and enjoying peace and stability as never before.

"We are determined to maintain this state of affairs and will see to it that this is not jeopardized in any way by confrontations, demonstrations or attempts to get people onto the streets," he said.]

Burma: Diplomats Give Conflicting Reports on Than Shwe

BK1207023196 Bangkok THE NATION in English 12 Jul 96 p A1, A3

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] Burmese junta leader Gen. Than Shwe is sick and has been in hospital since last weekend, diplomatic sources disclosed yesterday.

One source said Than Shwe, chairman of the ruling State Law and Order Restoration Council (SLORC), suffered a brain haemorrhage on Saturday and was taken to a local hospital in Rangoon. He was still in hospital yesterday, the source added.

The 63-year-old was last seen in the Burmese media one week ago today. He failed to show up at last Saturday's opening ceremony for the new Pansodan overpass, a new route into downtown Rangoon.

Diplomatic missions in Rangoon often follow the whereabouts of the leaders of SLORC and the Burmese armed forces through the Burmese state-controlled television and press, which usually provide extensive coverage of their activities.

One diplomatic source, however, dismissed the reported illness as rumour. The source quoted Burmese officials in Rangoon as saying Than Shwe and Lt. Gen. Khin Nyunt, SLORC's first secretary, had been travelling around the country together.

Than Shwe, also prime minister and commander in chief of the defence services, is viewed as the key person in uniting and balancing power between the two main factions within SLORC — one led by Deputy Chairman Gen. Maung Aye and the other by Khin Nyunt.

Than Shwe, who was born in February 1933 in Kyaukse, about 600 kilometres north of Rangoon, replaced Gen. Saw Maung in April 1992 as SLORC chairman. He is considered a more liberal person as a result of his decision to release a number of political prisoners after assuming the chairmanship.

After finishing high school, Than Shwe attended officers' training school in 1953. He rose steadily in the army hierarchy and in 1983 became commander of Southwest Army Command.

When a group of army generals staged a coup in September 1988 to suppress the nationwide pro-democracy movement, Than Shwe, then a lieutenant general, was named deputy chairman of SLORC.

In March 1990 he became a full general and assumed the positions of army chief and deputy commander of the defence services.

He led the Burmese delegation to the informal summit of heads of government of ASEAN and Laos and Cambodia last December. He also made official visits to Indonesia and Singapore last year to cement bilateral ties.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Daily Criticizes U.S. Media's Treatment of Islam

BK1207103396 Kuala Lumpur BERITA HARIAN in Malay 11 Jul 96 p 10

[Editorial: "The U.S. Media Is Insensitive"]

[FBIS Translated Text] The action by the country's various 22 religious associations urging the mass media in the United States to cease their action of deprecating and condemning Islam will not lessen the obstinacy of that country's mass media. On the contrary, they feel proud because their reports have been accepted by other organizations. The mass media will transform the criticisms and sentiments hurled at their country into a prolonged issue merely as a gimmick. Unquestionably, this aforementioned action will encourage the various U.S. mass media to compete with each other in finding sensational issues on Islam to report. Given the lively response they receive, the mass media will definitely come up with more reports on what purport to be distasteful issues involving Islam. It is strange to note that despite the condemnation they receive with regard to their extreme actions, they simply regard it as an acknowledgment. They consider condemnation as another form of success.

However, the United States considers that no sensitive issues exist in their media. We understand such a situation, knowing that all along their citizens have had virtually no self-respect. In fact, their self-respect has disintegrated. If they have not shown and given any respect to their parents, then how can we expect them to respect others?

They are free to report on any issue, based on their right to freedom of speech. It is not within their jurisdiction or concern what that person feels who has been besmirched by their reports. They hide behind the excuse that such reports are a normal product of their profession. As a result, we should not place full confidence in the U.S. mass media, which is willing to sacrifice its credibility for the sake of continuously condemning Islam; we are aware that the mass media is one of the most effective channels for strengthening a negative perception of Islam on its community. We have to accept the fact that the United States, which is geopolitically the most powerful nation, will not bow to the demands and appeals of the third and fourth world nations, which are mostly categorized as the poorest or developing nations and include the Arab nations.

SOUTHEAST ASIA

We need to accept the fact that the Islamic nations themselves are weak and unstable. The unceasing conflicts between them indicate that they are in disarray. The upshot is that the Islamic nations will be made scapegoats when they remain disunited. Such a situation provides the most powerful nation with a golden opportunity to exploit it. The Islamic nations are easily placed under U.S. control because of its healthy economic position and military strength. It comes as no surprise that some Islamic nations have become puppets of the United States.

We hail the attitude of certain religious associations that have expressed their grave concern over the Muslim community's sensitivity. Even though a good number of members of such organizations are non-Muslims, they realize that religious issues are not like other issues. We should not treat religious issues as only materials for reading or viewing or to be treated as materials for mockery and disgrace. If we show respect for other religions, we also expect those religions to respect other religions in return. This is the understanding that exists in Malaysia but which is definitely nonexistent in the United States.

It is easy to show contempt for another religion. Numerous methods can be applied if the major objective is only to retaliate by making reports against Islam, as has been done by several magazines and newspapers in the United States. We ask ourselves what benefit we would get if we engaged in such action. Unquestionably, a never-ending conflict would ensue.

Extreme examples of such action against the Islamic community can be found in the United States. Not only are they willing to condemn and disgrace the Islamic society through unfounded reports and controversial pictures, but they have also carried out abusive acts such as the destruction of mosques and other Islamic institutions in the country. According to reports published in the middle of June this year, a total of 18 mosques and Islamic institutions in the country were destroyed while 100 more cases were reported with regard to discrimination and harassment of Muslims. These statistics show that the hateful actions were planned and carried out intentionally.

We would like to remind the United States that it has committed numerous wrong-doings against the international community, including the Islamic nations. We are afraid that the United States will be isolated when the affected countries can no longer contain their pent-up feelings.

Malaysia: Abdullah, British Foreign Office Minister Discuss Ties

BK1107120796 Kuala Lumpur NEW STRAITS TIMES in English 10 Jul 96 p 4

[Report by Vincent De Paul]

[FBIS Transcribed Text] Kuala Lumpur, Tues — Britain feels its relationship with Malaysia is improving "with every passing day" and will not take ties with Kuala Lumpur for granted anymore.

Britain's Foreign and Commonwealth Office Minister of State Jeremy Hanley said diplomatic ties between the two countries were at the highest level.

He said relations have improved, especially in the past two years, and Britain did not want to see any untoward incidents jeopardising the relationship.

He said recent exchange of visits by ministers of both countries was aimed at strengthening ties further.

"It is vital that Britain does not take its relations with Malaysia for granted. In an ever competitive world, we have to work at it," he said at a press conference.

Hanley, 51, was here for a two-day visit. He held talks with Foreign Minister Datuk Abdullah Ahmad Badawi, MPs and businessmen and left for New Zealand today.

He was optimistic that London-Kuala Lumpur relations would continue to grow and did not see any obstacles in the way.

"I can't see any clouds on the horizon. But as you know with the weather both in Britain and Malaysia, one should never take anything for granted."

Hanley, who is Conservative MP for Richmond and Barnes, said Britain was pleased with educational ties, citing the 16,000 Malaysian students who were now studying there.

Hanley said he was impressed with the infrastructure and development in the country and added that Britain was also impressed with Prime Minister Datuk Sri Dr. Mahathir Mohamed's exciting ideas on how to sustain Malaysia's high growth rate.

He said Dr. Mahathir and his deputy Datuk Sri Anwar Ibrahim had been able to implement these ideas while at the same time keeping inflation low.

On his meeting with Abdullah, Hanley said they discussed a range of topics, including the Middle East peace process, development of ASEAN and the Asia Europe Meeting which London will host in 1998.

On Britain's role in the ASEAN Regional Forum, Hanley said it had an important one to play and was committed to the region.

"There are a great number of British interest in the region including 1,000 British companies that will remain in Hong Kong after the takeover by China."

He said good relationships with Australia, New Zealand and the presence of British troops in Brunei made it difficult for Britain not to be committed to the Forum.

On trade between the two countries, Hanley said they were excellent with two way trade now standing at RM [Malaysian ringgit] 10 billion.

He said Malaysian investment in Britain was high but hoped that a freer market could be created in Southeast Asia.

On Britain's trade deficit with Malaysia, Hanley said his country was not striving for a balance.

"We take the ebb and flow of trade...we are free traders and in some cases that will mean a deficit with some countries and a surplus in others. We cannot strive for an absolute mathematical equality in each case."

He said Britain was looking for good quality products which were affordable and had excellent after sales service.

"And this is what we get from Malaysian companies," he said, adding that Malaysia should be more open, especially in the banking and insurance industries.

On China's role in the region once it takes over Hong Kong, Hanley said he felt Beijing was not looking at extending its sovereignty beyond its borders.

He said that Britain did not fear China as it was becoming more open and that plans for Hong Kong's takeover were progressing smoothly. He added that Britain did not consider China as a competitor in the region but rather as a partner.

Earlier after his meeting with Hanley at Wisma Putra [Ministry of Foreign Affairs building], Abdullah said Malaysia was pleased about relations with Britain especially in trade and industry.

On discussion concerning China, Abdullah said he had told Hanley that Malaysia had cordial relations with the country.

Abdullah said if any country had the right attitude and the intention of being friends with China, then it would be easier to foster relations.

Malaysia: Abdullah Receives Cambodian National Assembly President

BK1107094596 Kuala Lumpur THE STAR in English 11 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Cambodia is keen to get Malaysian businessmen to continue investing in the country and has given an assurance that the political situation there is improving.

This was conveyed by Cambodian National Assembly president Samdech Chea Sim when he called on Foreign Minister Datuk Abdullah Ahmad Badawi at Wisma Putra [Ministry of Foreign Affairs building] yesterday.

After the meeting, Abdullah said the Cambodian Government needed foreign investments to help develop the country's economy. "I was informed that the situation there has improved," he said.

Malaysia: Authorities Detain Foreign Vessels for Illegal Fishing

BK1107094296 Kuala Lumpur THE STAR in English 11 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Lumut — The Maritime Enforcement Coordinating Centre (MECC) here has detained 10 foreign vessels and 74 crew members for illegal fishing in a weekend operation codenamed "Ops Gagah" [strong operations].

This brings to 69 the total number of foreign vessels detained under the Fisheries Act since the beginning of this year.

MECC assistant director of operations Lt Kdr [Navy Commodore] Anuwi Hassan said the latest operation, which began on Saturday, was carried out within the country's economic zone off Bintulu, Sarawak.

He said among the vessels seized were five from Indonesia with 23 crew members, two from China (26), two from Vietnam (15) and one from Taiwan (10).

It is learnt that the vessels have been towed to Bintulu for further investigations while the foreign fishermen — from China, Taiwan, Indonesia and Vietnam — are being detained at the Lambir prison.

Anuwi said the centre had been monitoring the movements of foreign vessels within the country's economic zone.

He said similar operations would be carried out from time to time to curb illegal fishing by foreign vessels in Malaysian waters.

Malaysia: Islamic Party Denies Expelling Ally From Unity Front

BK1007032296 Kuala Lumpur NEW STRAITS TIMES in English 8 Jul 96 p 4

[Unattributed report]

[FBIS Transcribed Text] Alor Star, Sun. — PAS [Pan Malaysian Islamic Party] today denied that Parti Melayu Semaangat 46 [Malay Party of the Spirit of 46 or S46] had been dropped from Angkatan Perpaduan Ummah [APU — Islamic Unity Front] as claimed by S46 President Tengku Razaleigh Hamzah.

PAS President Padzil Noor said he was surprised by Tengku Razaleigh's statement as the party had not made any decisions on S46's position in APU.

"As far as I know we (PAS) have not discussed or made any decision on this."

"I don't know where Tengku Razaleigh got his facts but as far as I know S46's position in APU will only be discussed when we hold the Majlis Syura Ulama [ulama advisory council] meeting on Saturday."

Padzil also denied that PAS had withheld announcing S46's expulsion from APU as there was no reason for the party to do so.

"Why should we refrain from telling the world that S46 has been expelled from APU if we have made the decision."

Padzil was asked to comment on Tengku Razaleigh's statement yesterday that his party had been dropped from APU during PAS' annual general meeting last month.

APU is a loose coalition comprising PAS, S46, Hisbul Muslimim Malaysia (Hamim) and Berjasa [Malaysian Islamic Council Front].

The coalition was formed to challenge the Barisan Nasional [National Front]. However, except for Kelantan, the partnership did badly during both the 1990 and 1995 general elections.

In Kota Baru, PAS information chief Abdul Halim Abdul Rahman said the matter was still at the Syura Council level and had not been brought up to the party's central committee.

Halim, who is the Deputy Menteri Besar [chief minister], said the party's general assembly had agreed to ask the Syura Council which is headed by Menteri Besar Datuk Nik Abdul Aziz Nik Mat to review relations with S46.

Meanwhile, a State PAS leader said even if PAS decided to break off with S46, Nik Aziz could still retain S46 elected representatives in the State Government.

"Nik Aziz is empowered to retain or sack them. Unless, of course, the S46 elected representatives choose to resign from their respective posts," he added.

He said there was no problem for PAS if the Assemblymen were to remain in the State Government because key decisions concerning the State could be decided by PAS.

"PAS has five members in the State Exco including Nik Aziz while S46 has only four representatives."

S46 is represented by the State chief Datuk Mohamed Rozali Isohak who is the Deputy Menteri Besar II, State Works and Amenities Committee chairman Daud Jafar, State Arts, Tourism and Culture Committee chairman Nik Mustapha Nik Loding and State Community Development, Health and Sports Committee chairman Mohamed Noor Ahmad.

Malaysia: Malay Party Chief Says His Return to UMNO Solely for Unity

BK1107104596 Kuala Lumpur THE STAR in English 11 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Tengku Razaleigh Hamzah said yesterday his possible return to UMNO [United Malays National Organization] is not intended to undermine Deputy Prime Minister Datuk Sri Anwar Ibrahim's position.

The Parti Melayu Semaangat 46 [Malay Party of the Spirit of 46] president said his move to bring the party members into the UMNO fold was solely for the unification of the Malays.

"There is no intention to contest against or to try to check anyone," he said at his office.

On Saturday, Prime Minister Datuk Sri Dr. Mahathir Mohamed dismissed allegations that he wanted to bring Tengku Razaleigh back into UMNO to check Anwar's influence in the party and government.

Anwar, who is also the UMNO deputy president, had said that he was not worried about Tengku Razaleigh rejoining UMNO and hoped that the public would not read too much into the matter.

Tengku Razaleigh said he had also informed Dr. Mahathir that he did not expect any post for himself or the other S46 leaders.

In Alor Star, Tengku Razaleigh criticised PAS [Pan Malaysian Islamic Party] for being arrogant and insensitive to a "friend" by slashing the allowance of Deputy Mentri Besar [state chief minister] II Datuk Rozali Isolahak.

"They think they have become so big and have gone to the extent of belittling us," he told newsmen after a two-hour meeting with Kedah Semangat members on Tuesday night.

Rozali, who is Kelantan Semangat chief, had his allowance cut by RM [Malaysian ringgit] 500 when the State Legislative Assembly approved an amendment on Sunday. Previously, Rozali earned RM4,500 a month in salary and allowance.

In Kota Baru, the Mentri Besar's political secretary Husam Musa said the amendments to reduce Rozali's allowance was to conform with similar amendments made to the Federal Constitution.

He said the state government was only responding to suggestions brought by the Barisan Nasional during last year's State Assembly.

Singapore

Singapore: Lee Kuan Yew Warns U.S. of Exclusion From PRC Markets

*BK1207081596 Singapore THE STRAITS TIMES
in English 11 Jul 96 p 25*

[Unattributed report]

[FBIS Transcribed Text] Ties between China and the United States will improve after the U.S. presidential elections in November, regardless of who wins, predicted Senior Minister Lee Kuan Yew last night.

He said the United States risked having its businessmen being excluded from Chinese markets if it continued on its confrontational path towards China.

"It is quite clear that if the United States continues along this confrontational, carping, querulous line, the Chinese are going to shut off their markets to U.S. entrepreneurs, and that would be a very serious disadvantage to the Americans," he told a gathering of business leaders.

"I don't think all will be sweet and reasonable, but you will not have this constant friction which prevents any business from being pursued in the longer term."

He added how, every now and again, America would get something stirred up.

The Chinese would react by saying they would not confirm the next order of Boeings but would be buying Airbus instead, or that they would not have GM or Chrysler, but Mercedes.

"You can't build up long-term relationships," he said of the present situation.

Similarly, he felt that the decision by the U.S. Export-Import Bank to refuse subsidized financing to U.S. companies wanting to help in the construction of China's massive Three Gorges Dam project would be reversed not long after the U.S. elections.

If the United States refused to back the Chinese project, perhaps because the construction of the dam would upset the ecology, U.S. companies like Caterpillar Inc. would suffer.

Excluding Caterpillar Inc. from the biggest ever dam building project would place it at risk worldwide, he said during a question- and-answer session at the one-day conference entitled the New Paradigms of Global Competition.

This was because other companies, like Japan's heavy machine maker Komatsu, would have gained so much experience during the 10 years of construction and developed new earth-moving equipment.

"So I'm not sure that the Ex-Im Bank prohibition will stay long after the elections. A steady relationship must be established," he said.

Singapore: Government To Impose Internet Regulations by 15 Jul

*BK1207043996 Singapore THE STRAITS TIMES
in English 12 Jul 96*

[Report by Geoffrey Pereira — received via Internet]

[FBIS Transcribed Text] Singapore's cyberspace will be regulated from Monday [15 July] under a new licensing scheme that aims to safeguard public morals, political stability and religious harmony.

Two groups — those who provide or sell Internet access and those who provide information with business, political and religious content — will be deemed to be licensed automatically.

They will have to follow a set of Singapore Broadcasting Authority [SBA] guidelines on what material can enter Singapore's cyberspace.

While the first group will also have to be registered with the SBA, not all of the second group, except for those whose home pages engage in local political or religious discussion and on-line newspapers which target Singapore subscribers, need to.

To register, they will have to provide information such as the targeted readers, the names of the editors and

publishers and the nature of the organization behind them, a move to promote responsible use of the medium.

The SBA announced the new Class License Scheme yesterday in a follow-up to moves earlier this year.

The scheme will cover two main categories of Internet providers.

— Internet Service Providers (ISPs).

These include access providers such as CyberWay and secondary access providers such as cybercafes and schools.

They must block out objectionable sites when the SBA tells them to and pay a licensing fee.

The Internet has thousands of news groups in which people discuss topics that include homosexuality, sex and religion, sometimes with pictures.

Service providers will also have to follow the SBA's guidelines on content in deciding which news groups to offer to the public.

Schools and other places which offer access to children will need tighter control; the SBA said it was working with the Education Ministry and the National Library Board on this.

— Internet Content Providers (ICP). The term refers to anyone who provides information on the World Wide Web, a publishing platform on the Internet, including those who put out their own home pages.

But Mr. Goh Liang Kwang, the SBA's chief executive officer, told a press conference that regulatory efforts would focus only on groups which provide content on an organized basis.

Individuals who put up web pages that are not for business, political and religious purposes will be exempted unless they are notified by the SBA.

He said the scheme aimed to encourage responsible use of the Internet while allowing its healthy development here. He said: "It encourages minimum standards in cyberspace and seeks to protect Net users, particularly the young, against the broadcast of unlawful or objectionable materials."

He added that political and religious organizations are free to conduct discussions provided they do not break the law or disrupt social harmony.

The SBA guidelines on content also prohibit other types of material. They include material which:

— Jeopardizes security or defense, or which undermines confidence in the administration of justice;

— Misleads and alarms the public;

— Tends to bring the Government into hatred or contempt, or excites disaffection against it.

When asked to elaborate on the kind of material which would fall under the third point, Mr. Goh replied that it would be a matter of judgment on the part of the SBA.

The penalties for those who break the rules have not been spelt out under the scheme, but he said that they could have their license withdrawn or be fined.

The Internet was impossible to control fully, he said, and added: "Our license conditions are directed at what is necessary and possible. As technology evolves, so will our regulatory framework."

He added that the Ministry of Information and the Arts will appoint a National Internet Advisory Committee to help formulate a good framework.

Although the SBA will have up to 10 people monitoring cyberspace, he added that the success of its regulation would depend a lot on industry and community action. People can help, he said, by informing the SBA of the objectionable sites that they come across.

**Singapore: Government's Sources of Income
Detailed**

*BK1207060196 Singapore THE STRAITS TIMES
in English 12 Jul 96*

[Report by Douglas Wong — received via Internet]

[FBIS Transcribed Text] Land sales provided the Government with its largest source of income — \$ [Singapore] 11 billion — in the financial year ended 31 March 1996, according to the latest report by the Auditor-General.

This represents a 26.2 per cent increase from the previous year, far exceeding the increase in the Government's total receipts. The latter rose only 11.4 per cent, reaching \$38.2 billion.

Land sales had overtaken income tax as the Government's largest source of income in the financial year ended 31 March 1995. But the gap widened last year, with income tax accounting for only \$8.77 billion of government receipts.

"The increase in sale of land was mainly due to greater demand for state land and more sites being sold in the financial year and at higher tender prices," Auditor-General Chuang Kwong Yong said in his just-released report on the Government's accounts.

For example, receipts from the Urban Redevelopment Authority's land sales of \$3.1 billion were 71 per cent higher than the Government had anticipated.

The report noted that the higher land sale income was offset partially by a \$2.2 billion shortfall in estimated receipts from the sale of land to the Housing Board (HDB).

"This decrease in proceeds from sales to the HDB was due to a review of the HDB's housing program and lower premiums for public housing land," Mr. Chuang said.

Another significant increase in the Government's income last year came from the dividend income it earned, said the report. The latter showed a hefty jump of \$1.14 billion, due to "a large amount of surplus funds returned by Temasek Holdings Pte Ltd to the Government".

Temasek Holdings is one of the Government's three investment companies. The other two are the Government of Singapore Investment Corporation (GIC) and MND Holdings.

After land sales and income tax, the four largest sources of Government income were:

- Licenses and permits, which brought in \$2.8 billion;
- Motor vehicle taxes (\$2.14 billion);
- Asset taxes (\$1.76 billion); and
- Goods and Services Tax collection (\$1.63 billion).

On the expenditure side, outlay from the Consolidated Fund increased by 84.9 per cent, year-on-year. This was attributed primarily to an \$11.5 billion transfer to the newly established Pension Fund.

A total of \$16.18 billion was withdrawn from the Development Fund, with 56.9 per cent of this disbursed as loans, largely because of an increase in the amount of loans given by the Ministry of National Development (MND) to the HDB for housing development and for financing the board's mortgage financing loans, the Auditor-General said.

Direct development expenditure increased by 43.3 per cent to \$3.12 billion, due mainly to spending by the Ministry of Trade and Industry (MTI) and the ministries of Environment and Health.

MTI's higher expenditure had resulted mainly from the implementation of the first stage of the Jurong chemical island project and the acquisition of land in Woodlands for a wafer fabrication park, the report noted.

Singapore: Defense Chief Views Armed Forces Capability

*BK1207102896 Singapore THE STRAITS TIMES
in English 12 Jul 96*

[Report on interview with Chief of Defense Forces Lieutenant General Bey Soo Kiang by Felix Soh — received via Internet]

[FBIS Transcribed Text] In terms of its sheer size and multi-billion-dollar infrastructure, leadership and management, the Singapore Armed Forces (SAF) is comparable to, or even bigger than, any multinational corporation in the country.

But by fulfilling its mission of ensuring the security of Singapore, the SAF is an investment that yields dividends beyond what any MNC [multi-national company] can achieve. It is an institution that has much wider positive ripple effects on the country's economic and social well-being — and on its stakeholders.

In order to play this critical role, the SAF has to maintain a high state of readiness and to innovate creatively to adapt to the constantly changing environment and conditions under which it operates.

How does it accomplish this? What is the SAF's current capability? What is its state of operational readiness? What is the level of motivation and standard of performance of Operationally-Ready National Servicemen, who form the bulk of the SAF's strength? How does the SAF tackle the problems of manpower and training constraints? What are the challenges ahead?

These and other SAF issues were discussed by Chief of Defense Force Lieutenant-General Bey Soo Kiang in a wide-ranging interview with The Straits Times yesterday. The news is good.

In his overall assessment, Lieutenant-General Bey said the SAF is today a balanced force with a deterrence capability that is able to secure a swift and decisive victory over any aggressor should deterrence fail.

It has evolved into an integrated fighting force with the army, navy and air force operating as one. The three services are now able to fight as a total force in today's multi-dimensional battlefield.

SAF Capability, Operational Readiness

The SAF has continued to maintain its high state of readiness. Motivation is high.

Lieutenant-General Bey recalled a recent visit he made to observe SAF soldiers training overseas. He said he came away impressed with their performance. At

various levels, whether regulars, National Service Full-time (NSF) or NSmen, he noticed that they took the exercises very seriously.

What holds for the future? Said Lt-Gen Bey: "We must be a creative, learning organization in the pursuit of excellence.

"We must be dynamic and far-sighted, enabling us as far as possible to evolve as we modernize and upgrade, but yet be able to switch to revolutionary approaches when necessary."

Over the years, the SAF has continued to enhance its capability to fulfill its mission, which means maintaining and, where necessary, improving the operational capabilities of the army, navy and air force, said Lieutenant-General Bey.

The SAF has adopted the cost-effective approach of maintaining a judicious mix of acquiring new weapons systems and upgrading older ones that are already in use.

For instance, while it is introducing new equipment like the F16 C/Ds, patrol and mine-countermeasure vessels and the FH-2000 howitzer, it is also upgrading older systems like the A4SU, M113 armored personnel carriers, F5 aircraft and the missile gunboats to incorporate the latest technologies to keep them operationally relevant.

An important move is the continued development of integrated operations, with the concepts getting more sophisticated and synergy among the services maximized.

"We have gone further into integrated operations," said Lt-Gen Bey.

"The army, navy and air force are now able to fight as a total force in today's multi-dimensional battlefield."

The development of concepts and doctrines of integrated operations has also guided the force-restructuring plans to eliminate unnecessary duplication amongst the three services, he added.

The success of tri-service integration is reflected in the Saiti Military Institute, which he refers to as "melting pot of the officer corps" where commanders are instilled with a common set of core values such as loyalty and integrity.

As a consequence, officers today demonstrate a deeper understanding of integrated operations and are able to work comfortably and effectively across service boundaries, he pointed out.

Training and Exercises

The impressive performance of the SAF's soldiers, airmen and sailors in routine mobilization exercises, two-sided war games and field exercises reflects a high state of readiness that even other armies are talking about.

"It is indeed heartening to note that some advanced foreign armed forces now even view the SAF as somebody to learn from," commented the Chief of Defense Force.

He said that the Republic of Singapore Air Force pilots and technicians are able to hold their own in major US Air Force exercises such as Ex Red Flag.

Their consistently high performances at Luke Air Force Base are a subject of discussion whenever he meets senior USAF officers, he said.

The performance of the navy and army is no different.

One spin-off from having to train overseas because of space constraints at home is the opportunity this offers in testing the SAF's logistical capability and readiness.

"Moving exercise troops and equipment over long distances is a severe test on our logisticians and they have never failed us," said Lt-Gen Bey.

Manpower Constraints

The manpower shortage faced by the SAF has to be dealt with through organizational re-structuring and re-engineering, proper training and education and applying technology as a force multiplier, said Lt-Gen Bey.

"Using technology as a force multiplier means leveraging technology to enhance firepower and capabilities while using less manpower," he said.

One manpower-saving measure is the widespread use of personal computers and electronic networks to reduce the need for clerical staff and dispatch services. Commercialization of services also results in manpower savings without compromising readiness.

Such practices have already yielded significant savings, he said.

He also disclosed that the SAF has refined its medical classification system to maximize the "deployability" of national servicemen in combat roles.

An example is that of a soldier who is flat-footed and may not be able to be a commando. But he can still be deployed as an artillery man, a job in which he will not be required to march long distances.

Attracting, Keeping Talent

The main adjustments that the SAF has had to make over the years involved the rising expectations of Singapore's younger generation, said the Chief of Defense Force.

"They want faster rates of progression and promotions. It is inevitable that the SAF has to adjust to these trends," said Lt-Gen Bey.

"In so doing, we have shifted the base working ranks of our specialists and officers to cater to their aspirations."

Thus, where one would have seen a captain holding a major's or even a lieutenant-colonel's post, today he is likely to be a major although the general age profile for that job remains the same.

Does the regular release of senior officers to the public sector reduce the experience level in the organization?

He replied: "This is not quite correct. While it is true that personal experience comes with age and time on the job, experience at the organizational level is different.

"It is a dynamic process in which the seniors continuously pass on the wisdom of their experience to the juniors. It is systemized and captured within the organization."

There is also the non-uniformed SAF extended career scheme in which retiring uniformed personnel are selectively re-employed.

Furthermore, senior officers who leave the SAF today at a younger age are also NS-liaible, said Lt-Gen Bey. Their experience can still be tapped.

"You are likely to see more senior NS officers occupying leadership and senior staff positions ... where previously such a position was held by a regular, for example, a brigade commander of a NS brigade."

The Future

"We stand at the threshold of another technological revolution, which will shift the centers of gravity in conflicts and constantly change the way war is waged," said the Chief of Defense Force.

"We must be able to understand, adapt, absorb and exploit these technologies to remain relevant and to improve the lethality, survivability, sustainability and versatility of the SAF," he added.

"Our people must have a strong sense of loyalty, integrity and professionalism. This is critical as it is the social 'glue' that holds us together in times of crisis.

Said Lt-Gen Bey: "In this context, the SAF will continue to play its role as a national institution, instilling the values of service to the nation and society above self, bringing together Singaporeans from diverse cultural and societal backgrounds and giving them a shared common experience."

Cambodia

Cambodia: Column Discusses Fragile Alliance Between Ruling Parties

BK1207112496 Phnom Penh CHAKKRAVAL in Cambodian 2-3 Jul 96 pp 1, 4

[("Today's Comment" column by Serei Moradak: "The Alliance That Is Bound To Collapse")

[FBIS Translated Text] Although the dispute over the regional-level power sharing between the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia (FUNCINPEC) and the Cambodian People's Party (CPP) seems to soften at times, there is no sign that this dispute will vanish entirely. This alliance has not yet been called off by either FUNCINPEC or the CPP, but it will surely collapse if they continue to behave as they are.

The two big parties are jointly mending this alliance, while at the same time gradually causing more splits.

This shows that the alliance between the two big parties will certainly collapse. The only question is when it will happen.

The leaders of the two big parties seem to be afraid to be the first to announce their decision to dissolve this alliance, but it is strange that they do not seem to be afraid, nor feel ashamed to cause more splits or to confront each other over a dispute that is so shameful to the foreigners and that has all the Cambodian people worried.

It is not difficult to cause a war; but it is most difficult to end one. Likewise, it is easy for a party to get into a dispute with another party, but the most difficult thing is how to amend their alliance.

Cambodia: Conflict in Coalition Government Assessed

BK1207090596 Phnom Penh ARIYEAKTHOR in Cambodian 4-5 Jul 96 pp 1, 4

[Report by Marina]

[FBIS Summary] In a 510-word report, the correspondent welcomes the recent lessening of tension between First Prime Minister Norodom Ranariddh and Second

Prime Minister Hun Sen in the absence of any verbal attacks on each other, but he adds that it is difficult for the Cambodian People's Party [CPP] and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] to be genuinely reconciled. The correspondent recalls the statement issued at the end of the 24-25 June CPP congress according to which "the CPP still adheres to a one-nationality policy" and also the CPP's 26 March memorandum "not to discuss administrative power sharing at district level" with FUNCINPEC.

Citing the view held in political circles, he says that "one day FUNCINPEC will react to this; but for the time being, it cannot do anything politically or militarily?." He concludes by saying that "analysts think that FUNCINPEC is quietly walking away from responsibility toward irresponsibility in order to finally put all the blame on the CPP."

Cambodia: Prime Minister Ponders Request To Run Radio-TV Station

BK1207094096 Phnom Penh ARIYEAKTHOR in Cambodian 6-7 Jul 96 pp 1, 4

[Report by Marina]

[FBIS Summary] In a 450-word report, the correspondent cites a 17 June message to First Prime Minister Norodom Ranariddh from Son Soubert, second vice chairman of the National Assembly and "party deputy leader of Grandfather San Sann" asking for permission "to operate a 600-kw radio and a 9-kw television station and a film and sound recording studio named Voice of Peace" [Samleung Santepheap].

The correspondent adds that Ranariddh "has not yet agreed to this request but has already sent his comments to [second prime minister] Samdech Hun Sen." The report also adds that "there has been no information yet on Samdech Hun Sen's reply to this." Citing the view of political circles, the reporter says that "the radio and television station requested by Son Soubert will certainly serve a political party and therefore should not be allowed. However, if someone else made the request, it could be ..." [ellipsis as printed]

The report quotes unofficial sources as saying that "the Son Soubert group has bought a plot of land to the south of Kien Svay in Kandal Province] to set up the radio and television stations" and adds that "these sources seem to say that the radio and television broadcasts are aimed at Cambodians in Kampuchea Kraom [former Cambodian territory now part of southern Vietnam]."

The correspondent finally wonders from which circle Son Soubert received support to enable him to set up

the radio and television station, adding that "if it belongs to Grandfather Son Sann, it is good; however, there is a concern that it may belong to the Free Vietnam Alliance."

Cambodia: Khmer Rouge Spokesman Denounces Aid to Phnom Penh

BK1207091796 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 11 Jul 96

[**"Communiqué by the Spokesman of the Provisional Government of National Union and National Salvation"** dated 11 July — read by announcer]

[FBIS Translated Text] 1. The villainous Western alliance gathered its accomplices and the World Bank to meet in Tokyo to announce that money has been given to the traitorous two-headed government, out-and-out lackey of communist Vietnam.

2. The Cambodian nation and people and the Provisional Government of National Union and National Salvation [PGNUNS] have made their stance known and repeatedly issued warnings not to give money to the two-headed government. The latter is continuing communist Vietnam's war to kill the Cambodian nation and people.

Cambodians and foreigners realize and have seen that money and aid granted to the two-headed government under whatever form or name are sustaining and nurturing the two-headed government to wage war and to continue communist Vietnam's war to shed the blood of Cambodians and kill them. This is in order that ethnic Vietnamese might flow into Cambodia to annex Cambodia's territory and take over everything. The evidence over the past three years is very clear; this cannot be condoned.

3. The Cambodian nation and people are adamant that those who give money to the two-headed government are murderers colluding with communist Vietnam and the traitorous two-headed clique to kill the Cambodian nation and people and annihilate the Cambodian race. Those who do not give money to the two-headed government are doing the right thing; they want to end communist Vietnam's war and want Cambodia to recover peace and national reconciliation. The Cambodian nation and people would like to most profoundly thank them.

4. The Cambodian nation and people have every right to fight to protect their lives and to fight to safeguard their nation, people, and race.

The two-headed government is disintegrating and is embroiled in great crises. It is disintegrating because

of the struggle by the Cambodian people, particularly by the poor peasants who have risen up to smash it.

11 July 1996
PGNUNS Spokesman

Indonesia

Jakarta, Singapore Military Chiefs Discuss Cooperation

BK1107074396 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 11 Jul 96

[FBIS Translated Text] General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia [ABRI], and Lt. Gen. Bey Soong Kiang, chief of the Singapore Armed Forces [SAF], have attended a briefing on the 17th annual meeting of the Joint Exercises Committee. According to a press statement of the ABRI General Headquarters in Jakarta yesterday, the briefing was given by Rear Admiral Suratin, assistant operations officer to the chief of the ABRI General Staff, at the ABRI General Headquarters in Cilangkap, Jakarta.

Gen. Feisal Tanjung expressed his hope that the two countries would further enhance their cooperation and work together to turn ASEAN into a zone of peace, freedom, and neutrality.

The existence of the committee itself is indicative of better cooperation between ABRI and SAF officers.

On the occasion, the two armed forces signed agreements, including on the planned construction of an army training ground in West Kalimantan, logistical cooperation, and an exchange of staff and command instructors.

Indonesia: Doctors Say Suharto 'Is Really Good Health'

BK1207080496 Jakarta SUARA PEMBARUAN in Indonesian 11 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Bad Oeynhausen, 11 July — President Suharto was declared to be in very good health on the second day of the medical checkup. Specialists conducted catheterization or angiography on his heart.

B.J. Habibie, minister of state for research and technology, said: "Nothing has happened to the president's heart and there is no narrowing of his blood vessel. A cytographic [term as transliterated] test showed that his kidney is normal." SUARA PEMBARUAN journalist Mansyur Barus reported from Germany on Thursday morning.

"His kidney is normal although there is a stationary stone inside. The president's doctors already know this." Habibie, who was accompanied by Dr. Budiman, one of the medical specialists, told SUARA PEMBARUAN and ANTARA at the Heart and Diabetes Center in Bad Oeynhausen, 80 kilometers to the west of Hanover, Germany on Wednesday afternoon (10 July).

An ENT [ear, nose, and throat] test will be conducted on Thursday (11 July). Since these are no longer major problems, it has been concluded that President Suharto is in very good health.

"The conclusion was made after a thorough examination of the president's kidney, gall, spleen, intestines, blood, heart, and other organs did not indicate that he would need a further medical examination," Habibie said.

Dr. Budiman said that the catheterization test was conducted on Wednesday morning (10 July) at about 0700 local time.

"The catheterization test lasted about 24 minutes. After the test, the president was asked to rest for several hours. Results showed that the president's heart was in good condition and that there was no narrowing of the blood vessel," he said.

President Suharto's thorough medical checkup will be capped by the ENT test. The German medical specialists and the Indonesian presidential medical team will discuss the results of the thorough checkup. The president's medical team will analyze the results.

"The earlier diagnosis by Indonesian doctors is in fact identical to the diagnosis of German specialists. Based on the two diagnoses, the president is really in good health," Habibie said.

Indonesia: Editorial Reviews Speculations Caused by Suharto's Health

BK1107094796 Jakarta REPUBLIKA in Indonesian 11 Jul 96

[Editorial: "Warding Off Speculations" — received via Internet]

[FBIS Translated Text] All the Indonesian people certainly feel relieved over news from Bad Oeynhausen, Hanover, Germany conveyed by B.J. Habibie, minister of state for research and technology, and Dr. Reiner Koerfer regarding President Suharto's health. Mr. Suharto is healthier than many people had previously thought.

The confirmation by Koerfer, who heads a team of examiners from the Heart and Diabetes Center in Bad Oeynhausen, ended political and economic speculations

that surfaced after it was revealed that Mr. Suharto, 75, planned to undergo a medical checkup.

Indeed, political rumors spread in the middle of last week. Foreign journalists focused on all rumors over the matter. According to Finance Minister Mar'ie Muhammad, the foreign media reports did cause a slight impact. The price index of the Jakarta Stock Exchange dropped and the rupiah depreciated against the U.S. dollar in Singapore.

The governor of the Bank of Indonesia [the country's central bank], Sudrajad Jiwandono, said the U.S. dollar appreciated against the rupiah by about 17 rupiah. The appreciation was still within safe limits — 20 rupiah below the benchmark would require the Bank of Indonesia to interfere. One day, the exchange rate was 2,348 rupiah per U.S. dollar. The normal exchange rate ranges from 2,326 rupiah to 2,327 rupiah. Still, it was below the benchmark. Meanwhile, the share price index in the Jakarta Stock Exchange plunged by 13 points.

At that exchange rate, there was, however, a very small volume of transactions — only between \$50 million (about 115 billion rupiah) and \$60 million (over 138 billion rupiah). He admitted that the sharp drop in the exchange rate could lead to a rush by investors to sell the rupiah, but he added that the possibility was very remote given the volume of the transactions.

The unease happened only around banking circles. The rupiah's value did not suffer any problem in the money market. Daily transactions can reach \$5 billion.

In fact, Mr. Suharto himself indirectly warded off the rumors by appearing in public on several occasions. For example, he opened the fourth general congress of the Contact Group of the Taklim Council [an Islamic social organization], received the Indonesian contingent to the Olympic Games in Atlanta, and played nine holes of golf with a handicap of 12. Moreover, the situation in the money and stock markets gradually returned to normal after the Bank of Indonesia injected 534 billion rupiah into the money market. The political rumors did not spread any further.

The developments show that Indonesia's political and economic situation is still relatively sensitive to rumors and speculations. Minister and State Secretary Murdiono has said Mr. Suharto is in good health. Mr. Suharto himself has proved it. At his advanced age, he simply went to Germany for a medical checkup. It is quite normal, and no one should be concerned.

We should pay close attention to communications. Dr. Amir Santoso, a political observer from the University of Indonesia, indicated that the incomplete explanation on Mr. Suharto's planned departure caused something

that should not have happened. In several other countries, professional spokesman are in charge of communication. It is time for us to have a professional presidential spokesman.

Jakarta Plans To Accelerate Foreign Loan Repayment

*BK1007071296 Jakarta THE JAKARTA POST
in English 10 Jul 96 p 11*

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — Minister of Finance Mar'ie Muhammad said yesterday that the government plans to speed up the repayment of foreign debts with annual interest rates between nine and 10 percent beginning next fiscal year.

The minister said that the plan is the second step of the government's program to speed up the repayment of high-interest loans.

"We are paying off all foreign loans with annual interest rates of 11 percent and above this fiscal year. After this, we will focus on the prepayment of loans with interest rates of between 9 percent and 10 percent in the following years," he said during a hearing with House of Representatives Commission VII for finance, banking, trade and cooperatives.

In the routine hearing, the minister said that the program to speed up the repayment of high interest loans which started in 1994/95, was one of the government's measures to reduce its debt burdens.

In 1994/95, the government prepaid foreign loans worth \$782.9 million with proceeds from the divestment of its shares in state-owned PT [Company Limited] Indosat, which listed its stocks on the New York and Jakarta stock exchanges in 1995.

In 1994/95 the government used the proceeds from the privatization of state-owned PT Telkom and PT Tamhang Timah to finance the prepayment to high-interest loans worth \$711.9 million, he said.

The minister said that in this fiscal year until March 1997, the government will use its budget surplus to pay off another \$578.9 million worth of high-interest loans.

Total Prepayment

"That prepayment will bring the total amount of high-interest loans to be paid by the government to \$2.07 billion since 1994/95," he said.

According to Bank Indonesia [the country's central bank], the government's outstanding foreign loans declined to \$58.2 billion as of the end of 1995/96 from

\$62.6 billion in the previous year mostly because of the appreciation of the U.S. dollar against the Japanese yen. Most of the external debts were categorized as concessional loans, carrying annual interest rates of less than 3 percent per annum.

Mar'ie said that around 4 percent of the total were commercial loans, carrying interest rates of more than 6 percent per annum.

The minister told the House members that the prepayment of foreign loans with interest rates of between 9 percent and 10 percent will be financed with proceeds from the privatization of state-owned companies and state budget surpluses.

The government is currently preparing the privatization of a number of state-owned companies, including Bank Negara Indonesia 1946, subsidiaries of electricity company PLN, toll road operator PT Jasa Marga, steel company PT Krakatau Steel and national flag carrier Garuda Indonesia.

Asked about the government's program to curb the country's widening current account deficit, Mar'ie said that the only way is to promote exports.

"Curbing imports is the most difficult one," he said. "The reintroduction of a controlled foreign exchange regime might be effective, but such a measure is out of question because it will cause more harm than good."

The government has, since the late 1960s, applied a free foreign exchange regime in its monetary policy and, as a consequence, cannot directly control the funds flowing into and out of the country.

The current account deficit is expected to grow to \$8.7 billion in the 1996/97 fiscal year, up significantly from \$6.9 billion in the previous year.

Indonesia: Police Hold 34 for 8 Jul 'Political' Surabaya Demonstration

BK1007071196 Jakarta MEDIA INDONESIA in Indonesian 10 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta (MEDIA) — Lieutenant General Suyono, chief secretary of the Agency for the Maintenance of National Stability, has instructed its East Java branch to accelerate the investigation of those taking part in a political demonstration in Surabaya to determine whether or not the demonstration was a subversive act.

"Workers were agitated to stage a demonstration against their will. This clearly indicated a subversive act to change the state system," ANTARA quoted Suyono.

concurrently chief of the Armed Forces of the Republic of Indonesia [ABRI] General staff, as saying in Jakarta yesterday.

At least 2,000 workers, not 20,000 as reported by MEDIA on 9 July, took to the streets in Surabaya on Monday. A number of college students were seen among the demonstrators.

According to Suyono, 14 college activists and leaders of non-government organizations mobilized by the Democratic People's Party (PRD, an unrecognized political party in the country) were responsible for the agitation. "They forced workers to take to the streets although the workers know nothing about politics," Suyono said.

Leftist

Suyono said that the act was leftist in nature. Similarly, the Indonesian Communist Party (PKI) once used workers to achieve its political ambitions.

Speaking to MEDIA INDONESIA last night, Brigadier General Mukhdi Pr. [as published], chief of staff of the Brawijaya 5th Military Region Command, denied that there were 20,000 demonstrators. "It was totally wrong. Their number did not even reach 2,000," he said.

He confirmed that the PRD had earlier issued a notification that about 20,000 workers would stage a demonstration. "Nevertheless, less than 2,000 took part," he said.

The one-star general from the Army Special Force agreed with Lt. Gen. Suyono that the demonstration was a subversive act, because they discredited the ABRI and accused the new order government of massacring two million communists in the past in addition to agitating workers. "All this showed that the demonstration was a subversive act," Mukhdi said.

More college students have been arrested for taking part in the demonstration in Tandes Precinct of Surabaya. Yesterday, security personnel arrested 12 college students. They are now under custody at the Metropolitan Surabaya Police headquarters.

This has brought the number of college students and workers arrested over the demonstration to 34. They underwent an intensive interrogation yesterday.

Police Major Ungrosono, chief of the Criminal Investigation Unit of the Metropolitan Surabaya Police, confirmed the number during an interview with MEDIA INDONESIA. "We have indeed arrested more people for questioning," he said. [passage omitted]

Indonesia: Government Terms Surabaya Protest 'Political'

BK1107040396 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 11 Jul 96

[FBIS Translated Text] The government has regarded the recent demonstration by about 2,000 workers in Surabaya as political. Suwarto, director general for manpower development and supervision of the Department of Manpower, said the demands of the Surabaya demonstrators were basically political. Their manpower-related demand is baseless because they have received wages in accordance with the regional minimum wage regulation set in 1996. They receive 4,000 rupiah per day. During the demonstration, they demanded that companies pay each of them 7,000 rupiah per day.

Suwarto said several demands were political because they demanded that laws on general elections, political parties, and the membership of the House of Representatives and the People's Consultative Assembly be changed, a referendum be held, and the dual function of the Armed Forces of the Republic of Indonesia be abolished.

Indonesia: Police Free 22 Surabaya Protestors; 2 Remain in Custody

BK1107040496 Jakarta KOMPAS in Indonesian 11 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Surabaya, KOMPAS — The Metropolitan Surabaya Police has officially declared the DI [expansion unknown], chairman of the Indonesian Labor Struggle Center [PPBI], and CHP [expansion unknown], a member of the National Peasants Union [STN], as suspects who masterminded the recent worker demonstration in the Tandes Industrial Estate, Tanjungsari Road, and Margomulyo.

Two persons were arrested by police on Monday afternoon (8 July) while a number of workers were being mobilized for a demonstration to demand that the daily wage be raised to 7,000 rupiah.

In reply to questions by journalists on Wednesday (10 July), Police Colonel Drs. [academic title] Rifai Wiryo-diharjo, chief of the Metropolitan Surabaya Police, confirmed that 22 of the 24 persons arrested for masterminding the demonstration had been released. The remaining two — DI and CHP — remain in custody and have been declared as suspects.

"The two can be prosecuted for criminal offenses stipulated in Article 160 of the Penal Code," Rifai said. The article says anyone who publicly expresses enmity and hatred toward or lowers the dignity of

the Government of the Republic of Indonesia is liable to a maximum of seven years imprisonment. [passage omitted]

Indonesia: Human Rights Commission Opens East Timor Office

BK1107133096 Jakarta TVRI Television Network in Indonesian 1000 GMT 11 Jul 96

[FBIS Translated Text] Baharudin Lopa, secretary general of the National Commission on Human Rights, inaugurated the commission's East Timor chapter and installed Alex Refialy as its chief representative in Dili. Lopa said the establishment of the East Timor chapter is aimed at detecting all problems relating to human rights violations in the province.

Meanwhile, East Timor Governor Abilio Soares called for the commission to understand the economic and sociocultural background of the local people, as well as to use persuasive means in carrying out its duties.

Indonesia: Independent Poll Watchdog Wants 1997 Election Canceled

BK0907051596 Jakarta THE JAKARTA POST in English 9 Jul 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — An independent poll body has called on the government to cancel the 1997 general elections, citing government interference in the political contestants' affairs which renders the process "legally defective."

The Independent Election Monitoring Committee (KIPP), manned by prominent figures and government critics, said in a press conference yesterday that the poll would be useless as there is no guarantee that the contestants would be independent.

"We want the general election process to stop. It's defective anyway," KIPP chairman Gunawan Mohamad said at the office of the Foundation of the Indonesian Legal Aid Institute yesterday.

"Given the existing condition, the poll wouldn't be a free and fair procedure," he said. "It should be called off because the political parties that should participate are not independent."

The 1997 poll is to be joined by three political parties — the ruling Golkar [Functional Group], the Muslim-oriented United Development Party (PPP) and the nationalist Indonesian Democratic Party (PDI) — contesting for 425 of the 500 seats of the House of Representatives. The remaining 75 seats are to be allocated for the Armed Forces members, who do not vote.

Gunawan charged that the government has been blatantly meddling in the political parties' affairs. He cited the current leadership crisis in PDI as an example of the results of the meddling.

The government and the military have encouraged a rebel group in PDI to hold a congress last month, which later ousted PDI chief Megawati Sukarnoputri and elected Suryadi as the new chairman.

The poll body, which the government has never recognized, warned of a possible backlash. When the government supported the rebel congress, it "miscalculated" the strength of the support for Megawati, Gunawan said.

"By supporting the rebel congress, the government has lost its legitimacy," he said.

Separately, a number of organizations continued with their support for Megawati yesterday. Activists of a pro-democracy group, Pijar [Light], protested outside the General Elections Institute building calling for a boycott of the general elections.

"The government's intervention in PDI is illegal. We call on Indonesians to refuse to participate in an illegal election," chairman Feri H. Makhsus said.

"It's better to become Golput [white group] than go along with a dishonest election," the protesters said.

Golput, which stands for Golongan Putih (literally "white group"), is a term popularly used to refer to those who opt not to vote for any of the three political parties at election time. The name was coined to contrast with Golkar (Golongan Karya), whose name means "functional group."

Separately, KIPP deputy chairperson Zumrotin K. Susilo said she had proof of the government's interference in political organizations' internal affairs.

"Two branch offices of PPP in Java have been pressured to include names of people chosen by two different regents [district chiefs] in their preliminary lists of PPP legislators."

Meanwhile, Armed Forces (ABRI) Chief for General Affairs Lt. Gen. Suyono said in Bandung yesterday that ABRI would employ constitutional methods in its efforts to maintain security during the 1997 general elections and the 1998 session of the People's Consultative Assembly (MPR).

"We prefer to take preventive measures rather than launch repressive actions in ensuring the security of the 1997 general elections and the MPR 1998 session, so as to avoid unnecessary victims," he said.

Indonesia: Observer Views Government Reaction to PDI Affair

BK/007094296 Jakarta THE JAKARTA POST in English 10 Jul 96 p 1

["Insight" by Sujati Jiwandono, member of the board of directors at the Center for Strategic and International Studies: "Medan Congress a Comedy of Errors"]

[FBIS Transcribed Text] Jakarta (JP) — The series of events surrounding the congress of the Indonesian Democratic Party (PDI) held in Medan on June 20 to June 22 appeared like a comedy of errors on the part of all parties involved. There are too many to enumerate but the most serious are errors of judgment.

That there would be a reaction not only from the Megawati Sukarnoputri faction and its supporters to the government's action and thus to the congress convened by the rebel leaders may have been foreseen by the government.

What seems to have been unanticipated however, is the strength of that reaction and the support that Megawati's faction continues to enjoy.

This is reflected in the continuous mass demonstrations held not only in Jakarta, where the party headquarters are being occupied by her supporters but also in various towns and cities across the country. They continue to protest the Medan congress and the government's interference in the internal affairs of the PDI.

On the other hand, it may be an illusion for Megawati and her supporters to think at this stage that the almost nationwide sympathy and support are for Megawati personally or for her presidential candidacy. There is nothing wrong should that be the case as everyone in a democracy has a right to that ambition.

More significantly Megawati has become a symbol of and a rallying point for the increasing demand for change, reform, greater freedom and democracy. The regime should not fail to see this. It also should not fail to read the writing on the wall and act accordingly so as to avoid damage to the nation.

Since Megawati joined the PDI, the party gained votes in the last two general elections. Given a fair election and with Megawati as general chairwoman, the party, particularly Megawati under the shadow of late legendary President Sukarno, could pose a serious challenge to the ruling Golkar grouping [Functional Group] in the 1997 general election.

But while this might reflect the decreasing popularity of Golkar and the New Order regime, it does not necessarily mean that the PDI would win a single

majority, or become an alternative to Golkar and the present regime.

If Golkar comes away with a majority, the PDI under Megawati could still stand in the way of Golkar's nomination and the election of its candidate for president by unanimous vote. This would hardly be tolerable for a regime accustomed to "unanimous" support. Such a challenge may be faced by Golkar and the present regime in the event of either abstention or a negative PDI vote for the presidential nomination and election of a president at the People's Consultative Assembly (MPR) in 1998.

It is not inconceivable that Megawati herself could run or be nominated by her party for president, no matter how small her chances of winning. But apart from personalities, would not such a development be good for the future of Indonesian democracy.

Thus far President Suharto has not granted an audience to the party's new executive board under Suryadi. This is normally regarded as final seal of official approval and recognition, though the President has said that he will do so only after the party is "consolidated". It is still not clear what is really meant.

What seems like the government backing down may be a sign of wisdom, and what took place in Medan might have been a little attempt and complete waste of time and resources. But experience is the best teacher, after all.

Indonesia: Support for PDI's Megawati Reportedly Continues

*BK1007070896 Jakarta KOMPAS in English
10 Jul 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, Kompas 9 Jul — New guidelines for the Indonesian Democratic Party (PDI) will soon be issued in efforts to refine the old party rules and regulations, incumbent [pro-government] PDI secretary general Buttu R. Hutapea told KOMPAS on Tuesday (9 July).

The four PDI principles espouse support for the New Order, the dual function of ABRI (Armed Forces of the Republic of Indonesia), President Suharto's leadership, and an active participation in national development. The new list of PDI legislative candidates is also due to be submitted in early August 1996.

Buttu clearly stated that only those people who supported the controversial Medan congress (20-22 June) could be nominated.

Protests from the Bali branch over the congress have continued. In a political statement, PDI Bali threatened to withdraw from all election committees if forced to accept the outcome of the Medan congress. Chairman of PDI in Bali, Ida Bagus Putu Wesnawa, told the press that the Bali branch of PDI only accepted the outcome of the 1993 congress and the leadership of Megawati Sukarnoputri. Ida stressed that PDI Bali would not boycott the election but would rather withdraw from all election committee proceedings.

Support for Megawati continues to flood in. Former Foreign Affairs Minister (1953-1955) Prof Sunario (94) and one of the founders of the Indonesian National Party (PNI) along with Sukarno, visited the PDI office. His arrival solicited cheers from the crowd.

"The presence of our elder, Pak [Mr.] Sunario, represents a show of moral support for Megawati to uphold democracy. Even at his age he is concerned, let alone those of us who are still young," said Marsusi from PDI.

Not only has there been a show of moral support but over Rp [rupiah] 50 million has been collected from all echelons of society — from the lower class to conglomerates. Food and beverages have also been sent.

Members of the PDI faction also issued an official statement to security forces protesting about the abrupt intrusion of security force personnel when PDI members were singing the Indonesian National Anthem on July 6.

Nationwide

In Solo, a meeting was held to nominate the new leadership team. Rifts between the two divisions were clear. As the new leader, Slamet Suryanto explained that much of deception had gone on in relation to the Medan congress.

In Surabaya about 1,500 pro-Megawati supporters took to the streets asking for forgiveness to the society as a whole and PDI sympathizers in particular. They demanded that the chief of social and political section of the East Java office, Suryadi Setiawan, apologize for his statement which accused PDI officers of acting in the same manner as the banned Indonesian Communist Party (PKI).

"On behalf of 100,000 PDI officers in Surabaya, Pacitan, Ponorogo, Trenggalek, Kediri, Malang, Jember and other areas in East Java, we demand Suryadi apologize and resign," said one of the PDI protesters.

Deputy chairman of PDI East Java (pre-congress) Sayuti said PDI supporters will not resort to brutality or anarchy. "From the outset we have rejected the results

of the congress and the underhand manipulation which led to Suryadi's leadership," he stated.

In Central Sulawesi, PDI district chairman H. Abdul Manaf Lacambo declared that outsiders should not interfere with the internal politics of PDI. Manaf, who attended the Medan congress, said people became involved only as a means to voice their own aspirations.

Meanwhile, about 60 pro-Megawati activists partook in a long march through Palu, rejecting the outcome of the Medan congress.

In Medan, students gathered outside of the North Sumatran parliament office in efforts meet with parliament members and state their regret over the outcome of the congress.

In Bali, about 200 residents of Sukawati, Gianyar dedicated a prayer to the confusion which reigned in PDI. They asked all national leaders, ABRI [Armed Forces of the Republic of Indonesia] officers and PDI leaders to think clearly in order to put an end to the crisis. The group prayer was organized by pro-Megawati sympathizer.

One of the members of the group Wayan Subawa said that if their prayers were not heard they would decline to vote in the 1997 election. "Don't blame us if we abuse our rights but we are tired of all the political manipulation such as that which has plagued PDI," he said.

Indonesia: Megawati Vows To Defend Position as PDI Chief

BK1207093596 Jakarta THE JAKARTA POST in English 12 Jul 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — The beleaguered Megawati Sukarnoputri vowed to keep defending her position as the legitimate chief of the Indonesian Democratic Party (PDI).

"We have set sail and the boat will cruise. There is no turning back," Megawati said yesterday while opening an extraordinary conference of the PDI Jaktara chapter.

The PDI leadership has been in crisis since breakaway party leaders elected Suryadi as the party chairman in a much-criticized, government-backed congress in Medan, North Sumatra, last month.

The government has recognized Suryadi as the party's new leader and barred Megawati from representing the party at next year's election. Megawati was elected chairperson of the party by popular vote, and her leadership still retains strong grassroots' support.

The Megawati camp has been demanding that the government withdraw its recognition of the Medan congress and stop meddling in the party's internal affairs.

She said the government has trampled on the PDI's dignity by recognizing the unconstitutional congress. "Defending the legitimate leadership is an honor," she said.

What the PDI members really need is a leader who can accommodate their aspirations, not one who counts on an external force, she said.

She said the PDI chapters in the regencies [districts] should hold conferences to consolidate her leadership and prepare for next year's election.

President Suharto called on PDI executives last week to consolidate and put an end to their conflict.

Minister/State Secretary Murdiono said that President Suharto would meet Suryadi only if he was able to make peace with Megawati's camp.

Under Indonesian political tradition, an audience with the President means that the government has endorsed the elected leadership of a particular organization.

"President Suharto will receive the new PDI central board only if the party leadership consolidates," Murdiono quoted Suharto as saying last week.

Megawati has filed a multibillion dollar lawsuit against her opponents and some government officials for endorsing the rebel congress.

A lawyer representing Megawati, Dimyati Hartono, said at a press conference yesterday that a referendum was the best way to solve the party's crisis. "The dispute on PDI's dual leadership will reach a deadlock if the opposing camps claim they have their own leader."

He said that the PDI was not a government institution, so the decision to settle the party's dispute should be left to its members.

"Let the PDI members decide who their leader is," he said. "I suggest that PDI conduct a referendum allowing its members to choose their leader."

"If Megawati gets more votes than Suryadi in the referendum, Suryadi has to accept it, and the other way around," he said.

Contesting some observers' doubts that it would take a long time to hold a referendum, Dimyati guaranteed that a referendum could be completed within two weeks.

"With the help of sophisticated communication technology, I guarantee that the referendum will take no longer than two weeks," he said.

He said, however, that the decision to hold a referendum would depend on the political will of the two opposing camps as well as that of the government.

Meanwhile, about three thousand Megawati supporters stretched a 500-meter long banner containing their signatures along Jl. [Road] Proklamasi in Central Jakarta yesterday afternoon.

The supporters, singing and shouting support for Megawati, then took the banner to the Taman Ismail Marzuki Art and Exhibition center before moving to the PDI headquarters on Jl. Diponegoro, where the procession ended.

Philippines

Philippines: U.S. Proposal for Warships Access in Manila Viewed

BK1207122096 Manila THE MANILA CHRONICLE in English 18 Jun 96 p 4

[From J. V. Cruz's "Here and There" column: "Are U.S. Bases Coming to Life as 'Access'?"]

[FBIS Transcribed Text] Today newspaper carried a story the other day about a press conference given by Admiral Joseph W. Frueher, chief of the U.S. Pacific Command, just after a meeting of the Philippine-U.S. Mutual Defense Board at Camp Aguinaldo. Frueher made the startling revelation that the U.S. Government was still pursuing its proposal for its warships to be given "special access" to its former Philippine bases such as Subic, Clark, and others. This was startling because the Filipino people had been made to believe by the Ramos administration that it had given short shrift to the U.S. proposal, formally denominated as an Acquisition and Cross-Servicing Agreement, and that the Americans had agreed to abandon the scheme.

Not so, Admiral Frueher said. The news report said he said "Washington continues to negotiate with Manila to sign the agreement." The American official said he discussed the matter at his meeting with Gen. Arturo Enrile and that he made clear to the latter his country was still pressing it. He said "the United States is interested in it and it is being pursued by the embassy here ... at the political level. It is still under discussion between the Philippine Government and our government ... There's a lot of details that are being worked out."

Considering how often Admiral Frueher repeated it, there appears to be absolutely no doubt then that the so-called Acquisition and Cross-Servicing Agreement

is alive and kicking and the Americans are assiduously, and for all we know aggressively, pressing for its approval. How far have these negotiations progressed? We are not told, but the confident tone exuded by the American official suggests they are going well from his perspective. Surely he knows that the Philippine Constitution offers formidable if not insurmountable barriers to the approval of a special access scheme, but this did not deter him from sounding confident and unfazed.

What was perhaps even more ominous was the fact that General Enrile sat beside Frueher throughout the press conference but didn't even offer a polite reminder that the Constitution posed grave problems for the U.S. proposal. Silence means assent? Everyone knows that Enrile is the Americans' go-fer in the Armed Forces of the Philippines [AFP]. During the recent explosive confrontation between communist China and the United States at the Taiwan Straits, he went out of his way to have the Philippines identified with the Americans, by sitting down to a high-level "security" conference with his American counterparts in Washington.

He has just been given by President Ramos a six-month extension of his tour of duty as AFP chief of staff. Is this extension tied up with the negotiations on access? Is it meant to ensure that no one on the Philippine side will throw a monkey wrench at the smooth flow? Enrile would indeed be the ideal ball carrier for this task.

How these talks were carried on in utmost secrecy and without ringing alarm bells in Congress, particularly the Senate, boggles the mind. And why Admiral Frueher finally decided to make a clean breast of things at this time provokes speculation. Are they so close to a successful conclusion that it has become safe to lift the curtain? There is no doubt that any agreement under discussion now would be an executive agreement; there is no way a treaty on special access will ever get through the Senate. On the other hand, an executive agreement will not need any Senate ratification, although its constitutionality could still be challenged before the Supreme Court.

But the secrecy and subterfuge that have surrounded these negotiations should enrage the Senate and the public. The American proposal for special access is nothing but a thinly disguised effort to restore the facilities and privileges they enjoyed when they still had their bases and had not been thrown out of the country. But the empathetic Senate vote against extending the Military Bases Agreement, because it was in clear violation of the Constitution should have put an end, once and for all and with finality, to any military relationships with the United States. President Ramos

was, of course, secretary of defense at the time and joined Cory Aquino in a forlorn ignominious battle to maintain an oppressive foreign military presence in this country. Now he is trying to bring back via the backdoor a relationship that had been kicked out through the front door.

This can be done only by mutilating the Constitution, and there is no way it should be allowed. We believe the Senate committees on foreign relations and defense, chaired respectively by Senators Ernesto Macea and Orly Mercado, should immediately summon the appropriate officials from the departments of foreign affairs and defense and ask what the hell has been going on. What the United States wants to do is to drag the Philippines and the Filipino people into an anti-Chinese alliance, aimed at helping the Americans preserve their so-called "leadership" in our region. The Chinese, however, are not disposed to let them establish their "hegemony." Our interests vis-a-vis China do not coincide with U.S. interests. We seek no conflict with China and desire nothing better than to live in peace, harmony, understanding, and cooperation with that giant, formidable country.

Philippines: Groups Warn of More Protests During APEC Summit

BK1207065796 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 11 Jul 96

[FBIS Translated Text] Protestors was barred by police from approaching President Ramos who was giving a speech at the Asia-Pacific Economic Cooperation conference yesterday. Maki Pulido has more details:

[Begin recording] [Pulido] Policemen prevented protesters from approaching President Ramos who was giving a speech at the APEC Ministerial conference at a hotel two blocks away. As the president was speaking, the protesters expressed strong opposition against Philippines' participation in APEC. The groups May One Movement, the League of Filipino Students and GABRIELA [General Assembly Binding Women for Reform, Integrity, Equality, Leadership and Action] condemned the government because they believe that free trade agreement will adversely affect local entrepreneurs.

The activists also decried against having to stop their protest, accusing the police of violating their right to expression.

[Protester Menardo Roda — identified by caption] As I have pointed out, under the Bill of Rights, no law shall be passed abridging the freedom of speech, or of the press or the right of the people to peacefully assemble to petition the government for the redress of grievances.

[Pulido] After a heated exchange, the protesters sat on the street to prevent themselves from being removed by police. However, Ramos did not see the protesters as he changed route on his way back to Malacanang [presidential office]. Before the protest ended, the demonstrators presented a blindfolded and handcuffed woman as a symbol against free trade.

According to the groups, protests will continue till the November summit. With camera man Boy Sonza, Maki Pulido for GMA Balita [News]. [end recording]

Philippine Envoy Confident on APEC Preparations

BK1207065096 Bangkok THE NATION in English 12 Jul 96 p A9

[Report by THE NATION reporter in Singapore]

[FBIS Transcribed Text] The November 25 APEC leaders summit in Subic will give the Asia-Pacific Economic Cooperation (APEC) "sense of progress," a senior Philippine government official said in Singapore last week.

Ambassador Armando Madamba, executive director of APEC, said that four years from the time it was conceived as a tariff-slashing body, the groupings 18 member-economies will now present their action plans on how to reduce tariffs and pry open protected industries.

The Philippines is this year's chairman of APEC.

The APEC has agreed on two timetables within which to eliminate barriers to trade and investments: the year 2010 for industrialised economies and 2020 for developing countries.

"The Manila summit is another important milestone in the progress of APEC. We're trying now to prepare for the real action plans (of individual member economies). We might call this the Manila action plan for APEC," he said.

He said the trade grouping will review the action plans to examine the level of preparedness of each economy to open itself to competition.

APEC is inching forward in a sense, said the navy officer-turned diplomat.

In 1993, the APEC vision of an "integrated" trade and investment regime for the region was developed in Blake Island.

The following year in Bogor, Indonesia the member-economies declared their commitment to free trade.

In 1995 in Osaka, Japan, they came up with a "road map" which envisioned that in 20 to 25 years the region will become one huge liberalised market.

"How this will be implemented will be discussed in Manila," he said.

He also described Philippine preparations as being "on track," and said the government of President Fidel Ramos is prepared to meet any security requirements.

"I'm very confident we can back it up to November," he said. He brushed aside domestic concerns about the Ramos government overspending on a lavish event like the summit.

Political critics have decried the construction of housing "villas" in Subic which the world leaders will use for only 24 hours.

"There might not even be any cash outflow from the Philippine budget," he said. The 18 cottages being built for the leaders is, according to him, "generally going to be subsidised by the private sector."

"They can keep these cottages for themselves in the future," he added.

However, Madamba cautioned against a tendency to become too "fixated" with the November summit where world leaders like U.S. President Bill Clinton, if he gets re-elected, are expected to attend.

He said the APEC involves a year-long series of meetings for businessmen and entrepreneurs with an eye on entering new markets and learning more about APBC.

"We want to promote APEC as a whole to our national community, to make businessmen aware that this is something they can participate in," he said.

In Osaka last year, the leaders identified 10 areas which can be adopted in the short-term. Among the "deliverables" include the harmonisation of customs procedures, enforcement of intellectual property rights protection, and promotion of small and medium enterprises (SMEs).

There is a proposal to make Manila the site of an APBC Centre for Technology Exchanges and Training for SMEs.

He said the Philippines couldn't have chosen a more historic location for the summit than Subic, a former American naval installation which is now a promising industrial estate.

"Subic represents a potential for economic growth. The summit is one opportunity to show that the complex has been put to good use," he said. "By this time Filipinos

must already understand why Subic has been the choice, and what it might mean to the entire economy."

Philippines: Official Defends Constitutionality of SPCPD

*BK1007081396 Manila PNA in English
1559 GMT 9 Jul 96*

[Received via Internet]

[FBIS Transcribed Text] Manila, July 8 (PNA) — Secretary Alexander Aguirre of the Presidential Management Staff (PMS) today said the government was ready to defend the constitutionality of the proposed Southern Philippines Council for Peace and Development (SPCPD) before the Supreme Court and Congress.

Aguirre told defense reporters that the creation of the SPCPD did not violate the Constitution and the government is prepared with all the legal and constitutional justifications for the proposed body.

Aguirre said: "There is no need for a plebiscite. We can defend this concept before any forum — before the Supreme Court, before any congressional hearing, and before the people."

He said "there has been a lot of misinformation regarding the SPCPD and the problems on its creation will be resolved once it is fully explained to the people."

Aguirre, with other members of the government panel involved in the peace negotiations with the Moro National Liberation Front (MNLF), met today with top defense, military, and police officials in Camp Aguinaldo to discuss vital matters on the SPCPD.

Former Ambassador Manuel Yan, head of the Government of the Republic of the Philippines (GRP) panel agreed with Aguirre on SPCPD and he dismissed the reports on the alleged unconstitutionality of the SPCPD.

For his part, Defense Secretary Renato de Villa said that the SPCPD "is not the entire answer to the peace problem, but it is a very important step and a good promise for an enduring settlement of our conflict in Mindanao."

De Villa assured that the situation in Mindanao remained peaceful and there was no need to assign additional troops to secure some areas where there are protests against the proposed SPCPD.

He said he was not worried about the protests, adding that the reported threats to fly the flag with the red side up, had already been solved by Interior and Local Government Secretary Robert Barbers.

De Villa said Barbers had talked to the people who allegedly made the threat and they assured him they

would not continue to reverse the flag for they were not too radical.

Philippines Officials Comment on Implementation of Mindanao Council

BK10907144196 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 9 Jul 96

[FBIS Translated Text] The government continues to draw flak over its stand on the Southern Philippines Council for Peace and Development, or SPCPD.

Congresswoman Daisy Fuentes said the government's threat to file sedition charges is a (?manipulative) attempt to stop any discussions on the issue.

Meanwhile, Senator Francisco Tatad said the government should fix the questionable points in the Mindanao agreement instead of threatening the people. The current protests may lead to a more violent rebellion if the government pushes through its threat to file sedition charges, added Tatad.

In the meantime, Presidential Peace Adviser Manuel Yan today said the residents of Mindanao do not know the objective of the SPCPD; that is why they continue to protest. Yan believes the people of Mindanao will accept the SPCPD if things are explained to them properly. Yan added the government should intensify its information campaign so that the people will know more about the council.

The government assured the Christians of Mindanao that they have nothing to worry about over the establishment of the Southern Philippines Council for Peace and Development.

According to Press Secretary Hector Villanueva, the information received by the people in Mindanao is wrong. Because of this, different rumors about the council have spread.

Villanueva said the leading role of SPCPD will be to monitor the progress of Mindanao, particularly the infrastructure. He gave an assurance that that the council will still be under the office of President Ramos.

In this regard, former President Corazon Aquino expressed support for the formation of the SPCPD.

Philippines: Radical Christian Group Ready for War With Muslim Rebels

BK1007112196 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 10 Jul 96

[FBIS Translated Text] Following a report that the radical Christian group Ilaga [rat] has regrouped, it has expressed its readiness to go to war anytime. Let us hear

a report from Arnold Clavio, direct from Cotabato City. Arnold, come in:

[Begin Clavio recording] The Christians in Cotabato City are ready for any war against the Moro National Liberation Front, or MNLF, if peace talks in Jakarta, Indonesia fail. This was the reaction of Midsayap, North Cotabato Mayor Nicolas (Dequenia).

Mayor Dequenia is one of seven original people who founded the dreaded Ilaga group in the 1970s to fight Muslim rebels. Dequenia said MNLF Chairman Nur Misuari should not talk about war since peace talks were continuing. He added that there are more or less 3,000 children of former Ilaga members who are just waiting in the sidelines but are always ready.

According to Dequenia, the MNLF should not insist on implementing the Southern Philippines Council for Peace and Development, or SPCPD, due to allegations of abuse by Muslims against Christians. Dequenia said there are no Christians or Muslims in Mindanao, all are Filipinos.

Meanwhile, the Autonomous Region for Muslim Mindanao (ARMM) is preparing to begin information dissemination on SPCPD. Ali Makabalong, bureau chief of ARMM's media affairs division, said the lack of knowledge about SPCPD is the primary reason for wrong reactions here in Mindanao. [end recording]

Philippines: MNLF Peace Panel Spokesman: Forces Will 'Just Fade Away'

BK1007032096 Manila PHILIPPINE DAILY INQUIRER in English 26 Jun 96 p 20

[Report by Carolyn O. Arguillas and Nico A. Alconaba]

[FBIS Transcribed Text] Davao City — Nur Misuari, chair of the Moro National Liberation Front (MNLF) and commander in chief of the MNLF's Bangsa Moro Army (BMA), aside from facing traditionally hostile sectors may be facing opposition from within the MNLF itself.

MNLF forces interviewed at random during the peace talks here last week cannot as yet imagine that they will soon be "soldiers of peace" instead of "soldiers of war" and that the signing of a peace agreement will inevitably mean the BMA ceases to exist.

"When there is a peace settlement, there should no longer be a revolutionary force," Presidential Management Staff Chief Alexander Aguirre, a key government negotiator, told the INQUIRER last week.

This is the principal reason, Aguirre said, why MNLF forces will have to be integrated into the military or

police. And because not everybody can be integrated into the government forces, the rest will have to be provided with livelihood opportunities while those with Civil Service qualifications can work in government offices, Aguirre said.

An MNLF commander said some troopers may engage in banditry if not integrated or given livelihood programs.

But other MNLF troopers and commanders interviewed at the Insular Hotel, venue of the recently concluded Davao talks, were surprised by the INQUIRER's question: What do they intend to do when a peace agreement is signed?

The MNLF was set up on March 18, 1968.

Yet another question that baffles them is the issue of turning in their firearms. "This is not a surrender. Why should we turn in our guns. Ano yan?"

(What's that?) Act of surrender?" Kumander Nara of Lanao del Sur said.

No More BMA

Told that a revolutionary army ceases to exist when a peace agreement is signed, Nara and MNLF guerrillas around him said, "Ibang usapan na yan." (That's something else).

Firearms that would be turned in will be paid for.

Another said he would rather join the CAFGU [Citizen's Armed Forces Geographical Unit] than turn in his firearm.

Kumander Nara said he prefers to join the regional security force that will be set up in the regular autonomous government.

An erstwhile revolutionary force in a peace settlement has to be demobilized, Aguirre said, adding that it would be incongruous for a revolutionary force to exist under a peace settlement.

MNLF peace panel spokesperson Rev. Absalon Cerveza told the INQUIRER the MNLF forces will go through a "natural demobilization by themselves" when they are given livelihood opportunities.

"Pabayaan mo lang yan, one day, makikita mo, wala na yan," (Let them be, one day you'll see, they'll be gone), he said, adding "the MNLF will just fade away" when the troopers find themselves integrated into the military or police or employed in other agencies or engaged in businesses.

The number of MNLF troopers remains a question to this day.

In the third round of formal talks in Jakarta last year, Misuari told reporters, "I cannot reveal exactly (how many) but everyone is telling me the MNLF has 30,000 forces."

Philippines: Official Views Integration of Muslim Rebels Into Army

BK1007075196 (Internet) The Journal Group WWW in English 6 Jul 96

[This web page publishes material from four daily newspapers and a weekly magazine put out by the "The Philippine Journalists, Incorporated (PJI), also known as The Journal Group." The dailies are THE PEOPLE'S JOURNAL, THE PHILIPPINE JOURNAL, THE PEOPLE'S JOURNAL TONIGHT, and THE PEOPLE'S TALIBA. The weekly is the WOMEN's JOURNAL; report by Fernando Cariaso]

[FBIS Transcribed Text] Integration of Muslim rebels nears solution. "The gap is no longer there," Tarlac Rep. Jose Yap, chairman of the House Committee on National Defense, told reporters in a telephone interview.

He was referring to the MNLF [Moro National Liberation Front] demand that the military take in as much as 15,000 of its officers and men.

The demand was made during the resumption of the peace talks between the government and the MNLF in Davao City, which resulted in the draft agreement for the establishment of the Southern Philippines Council for Peace and Development (SPCPD).

During the talks, the government said the AFP [Armed Forces of the Philippines] could only integrate about 5,000 Muslim rebels into its ranks.

According to Yap, a special working group is now threshing out the ranks that MNLF officers would be given in the AFP.

He added the MNLF had reduced its demand to 7,500 positions in the military, which was half its original demand of 15,000.

Meanwhile, the government offered 5,500 slots, or 500 more than its initial proposal of 5,000, Yap said.

The government offer is for 5,000 slots for ground troops and 500 in the engineering brigades, Yap said.

"With this development, the gap on the MNLF soldiers that can be drafted as regular members of the AFP had been narrowed," he said.

But he stressed the House will make representations that the MNLF integrants be assigned elsewhere "so that they

will not be used as private armies by leaders who will sit in the SPCPD."

Yap said it was possible that only a few of the MNLF officers would go above lieutenant colonel, the highest rank not requiring confirmation by the Commission on Appointments.

He also proposed that MNLF members who will not be able to join the AFP be required to register and surrender their firearms.

Yap said the commissioning of Muslim rebels in the AFP and later in Philippine National Police must be in accordance with law "just like the African experience where the communist insurgents were successfully integrated into the national armies of various governments having problems with rebels."

The AFP requires entrants to be 21 to 26 years old, at least high school graduate, and to have no disabilities and criminal records.

Yap said the MNLF wanted the qualification requirements to be relaxed such as those on educational attainment.

This developed as Sen. Blas Ople urged President Ramos to require MNLF Chairman Nur Misuari to pledge allegiance to the Constitution and renounce all separatist aims now and in the future if he is to head the SPCPD.

At the same time, Ople co-authored a Senate resolution seeking "a full inquiry" in aid of legislation, into the council's proposed creation.

But Sen. Raul Roco would settle for the president inviting Misuari to the Cabinet for a debate and collegial discussion as an effort at "projecting a united country on the Cabinet level."

Earlier in the week, Sen. Ernesto Macea had proposed inviting Misuari to a senators' forum to give him a chance to describe exactly what it was that was promised to him in the creation of the SPCPD.

Ople, in a press statement, said there is reason to believe that the strategic, long-term goal of Misuari's movement, backed by sympathetic foreign states, has not changed in spite of a show of tactical moves to make peace with the Philippine Government.

Ople said these long-term goals have been summed up in a recent declaration of the ulamas or religious leaders in Mindanao reaffirming their desire to establish in Mindanao a separate Islamic state, presumably adhering to the tenets of fundamentalism such as in Iran and Algeria.

Sen. Ernesto Herrera, who co-authored with Ople the resolution asking for an inquiry into SPCPD suggested the Senate be convened as a committee of the whole that will carefully review the provisions of the agreement creating the SPCPD since he said Christian leaders have charged that the SPCPD is "merely a guise" for giving full control of Mindanao to one man, Misuari.

Roco, in a letter to Mr. Ramos, lauded the president for the way he faced the protests and demonstrations in Mindanao, saying: "Resort to violence is never good policy and does not produce good arguments based on reason."

He then suggested that the president invite Misuari to the Cabinet. "The debate and collegial discussion on a national level will optimize contributions from Mr. Misuari from the Muslim point of view," Roco said.

Also, Roco added, he proposed "an immediate plebiscite or referendum with the people of Mindanao will ensure participatory democracy instead of reticent diplomatic initiatives."

Ople said Misuari's pledging allegiance to the Philippine Constitution would dispel the MNLF chairman's "disdainful dismissal of the Constitution which binds all Filipinos."

Philippines: Foreign Companies Named for Transmission Line Network

BK1007092196 Manila PHILIPPINE DAILY INQUIRER in English 14 Jun 96 p B1

[Report by Katherine R. Espina]

[FBIS Transcribed Text] A Korea-based company and a Swiss-Swedish group bagged a P [pesos] 3.2 billion contract from National Power Corp. (Napocor) to put up a major transmission line network.

Energy Secretary and Napocor chair Francisco Viray said yesterday that the Napocor board has approved the award to ABB SAE Sadelmi and Hyundai Engineering and Construction Co. Ltd.

The project, called the Northwestern Luzon transmission line project, will bring electricity from the 600-megawatt [mw] Masinloc coal-fired power station and the 1,000-mw Sual coal-fed plant in Pangasinan to the Luzon grid.

In a memorandum to the Napocor board, Napocor president Guido A. Delgado said the two power plants will require an extra-high voltage (EHV) transmission line network to deliver electricity to the grid.

He said the two coal-fired plants will be linked to the San Manuel and San Jose substations through a 600-kilovolt (kv) line.

Delgado said the transmission network will require three new EHV substations in Labrador, San Manuel, and San Jose; 500-kv transmission lines from Labrador to San Manuel down to San Jose; associated 230-kv substation expansions and 230-kv transmission lines connecting the two power plants to the Labrador station.

The northwestern line project was divided into three schedules. ABB won the contract for the first schedule, which involves the 500-kv transmission line from Labrador to San Manuel and a 230-kv line from Sual to Labrador. This will require P1.1 billion in investments.

Hyundai clinched the contract for Schedule II, which covers the construction of a 500-kv line from San Manuel to Tower 203 of Napocor. The Korean firm will also implement Schedule III of the project or the 500-kv line from Napocor's Tower 204 to San Jose. The contracts for Schedules II and III were worth P1.1 and P1 billion, respectively.

The bidding for the northwestern line project was held last Feb. 29. ABB and Hyundai bested 10 companies that participated in each of the three schedules.

The project is in line with Napocor's plans to build a 500-kv backbone transmission line network in the Luzon grid.

The World Bank will provide \$159.5 million in loans to finance the 230 and 500-kv portions of the project. Kreditanstalt for Wiederaufbau (KfW) of Germany is being considered to provide \$32.8 million to finance the 230-kv Masinloc-to-Labrador transmission line.

Thailand

Thailand: Official Reports on Banhan Talks With Lake

BK1207024196 Bangkok THE NATION in English 12 Jul 96 p A3

[Report by Rita Pattiyaewi]

[FBIS Transcribed Excerpt] Thailand and the United States will increase cooperation on security issues and conduct more bilateral discussions on the situation in Burma, Cambodia and other countries in the region. Foreign Ministry Permanent Secretary Thep Thewakun said yesterday.

Thep said U.S. National Security Adviser Anthony Lake and Prime Minister Banhan Sinlapacha had discussed Burma and Cambodia and agreed that stability was vital for the region's economic development. However, Lake

did not specifically ask Thailand to take measures to pressure Burma's military junta, known as the State Law and Order Restoration Council (SLORC), Thep said.

He quoted Banhan as telling Lake that problems in Burma and Cambodia would eventually be resolved because of the two countries' desire for economic development.

He said the emphasis on peace and stability by various countries would complement economic growth.

According to Thep, Banhan told Lake about his meeting with the SLORC during which he reiterated Thailand's position of non-interference in Burma's domestic affairs. However, Banhan also said Thailand was concerned that the turmoil could affect Thailand.

Speaking at a press conference yesterday, Lake said the U.S. sees economic sanctions as a useful tool to encourage SLORC to open talks with democracy leader Aung San Suu Kyi. He said the decision for economic sanctions depends mainly on the Burmese themselves.

At the moment, some U.S. congressmen are pushing for economic sanctions against Burma, which they accuse of numerous human rights violations. Their call has been echoed by several top American universities, including Harvard and Stanford.

U.S. firms doing business in Burma are also under increasing pressure from shareholders and human rights groups to divest.

Pepsi-Cola withdrew its stake in a venture in Burma earlier this year after lobbying by rights groups. [passage omitted on AFP report]

Lake said the U.S. would raise issues concerning Burma and Cambodia at the upcoming ASEAN Regional Forum.

"In Cambodia, we want to work with the Thai government very closely in trying to ensure the survival of democracy there, and ensure that the coalitions there stay together so the Cambodians will not again plunge into the kind of total tragedy that we have seen," Lake said.

Thailand: Japan Requested To Ease Tariff, Non-tariff Barriers

BK1207041096 Bangkok THE NATION in English 12 Jul 96 p B2

[Report by Niisara Sihanam]

[FBIS Transcribed Text] Thailand has asked Japan to relax both tariff and non-tariff barriers to allow more Thai farm exports to enter its markets, according to a

source who attended the meeting for Policy Dialogue on Trade and Investment on Monday.

Thai officials also urged Japan's Food Agency to allocate rice import quotas to Thailand more fairly, especially for the next round of allocations on July 26.

Led by Pracha Charutrakunchai, director-general of the Foreign Trade Department, Thai officials urged their Japanese counterparts to cut tariffs on tapioca flour and frozen chicken to allow Thai exporters greater access to Japan.

Thai officials also informed the Japanese that restrictive sanitary standards have prevented Thai rice, frozen shrimp, pork and vegetables from entering the Japanese market.

Thai and Japanese officials met at the Policy Dialogue on Trade Industrial and Investment forum in Tokyo on Monday.

Japan is now the second largest market for Thai exports, following the ASEAN region. The two-way trade between Thailand and Japan rose steadily during 1991-1995, accounting for 24.5 per cent of Thailand's total external trade. Last year, the two-way trade totalled U.S. \$30.95 billion. Thailand recorded a trade deficit of \$11.9 billion, or about 91.5 per cent of the total Thai deficit.

Japanese delegates also proposed giving more assistance under the sub-regional cooperation programme to Indochinese countries and ASEAN economic programmes such as the ASEAN Investment Cooperation and ASEAN Free Trade Area forums.

Thai representatives also told the staff at Japan's Food Agency they felt that so far the agency has tended to allocate its rice import quotas unfairly to Thai exporters. They said the Japanese agency has a tendency to allocate the quota to U.S. or Australian exporters.

The Japanese agency, however, argued that in the past Thai exporters have not accurately reported the weight of their products. Thai officials have promised to look into the matter.

Thai officials also met with an executive of Jusco Department Store and persuaded him to help promote the sale of Thai rice, canned food and fresh vegetables.

Thailand: Border Officials Report KNU-SLORC Talks Unsuccessful

BK0907054596 Bangkok THAILAND TIMES in English 9 Jul 96 p A2

[Report by Atsawin Phinitwong]

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The KNU's peace-talk delegation, led by Supreme Commander Gen Tamia Baw and 11 members, was recently in Burma for the fourth round of talks with Burmese military ruler.

Thai officials said Tamia Baw had talked to Lt Gen Khin Nyunt, Secretary 1 of SLORC and chief of Burmese military intelligence, for about one hour in Rangoon.

The details of the negotiation between the two sides have not been released.

The KNU representatives who arrived from Burma said the result of the talks would be disclosed in the middle of this month after the ethnic Karen who reside along the Thai-Burmese border had been informed.

However, they said no agreement had been signed during the talks.

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BK1007070296 Bangkok THAILAND TIMES in English 10 Jul 96 p A2

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The officials, speaking on condition of anonymity, said the Burmese government demanded the surrender of KNU before reaching any agreement during the recent peace talks in Rangoon and Moulmein.

KNU leadership had refused to give up their arms on earlier talks with Rangoon.

KNU senior leaders said the objective of the negotiation with Rangoon was to reach cease-fire agreement nationwide, but it would not mean the KNU will surrender its arms to the Burmese government.

He said the two coal-fired plants will be linked to the San Manuel and San Jose substations through a 600-kilovolt [kv] line.

Delgado said the transmission network will require three new EHV substations in Labrador, San Manuel, and San Jose; 500-kv transmission lines from Labrador to San Manuel down to San Jose; associated 230-kv substation expansions and 230-kv transmission lines connecting the two power plants to the Labrador station.

The northwestern line project was divided into three schedules. ABB won the contract for the first schedule, which involves the 500-kv transmission line from Labrador to San Manuel and a 230-kv line from Sual to Labrador. This will require P1.1 billion in investments.

Hyundai clinched the contract for Schedule II, which covers the construction of a 500-kv line from San Manuel to Tower 203 of Napocor. The Korean firm will also implement Schedule III of the project or the 500-kv line from Napocor's Tower 204 to San Jose. The contracts for Schedules II and III were worth P1.1 and P1 billion, respectively.

The bidding for the northwestern line project was held last Feb. 29. ABB and Hyundai bested 10 companies that participated in each of the three schedules.

The project is in line with Napocor's plans to build a 500-kv backbone transmission line network in the Luzon grid.

The World Bank will provide \$159.5 million in loans to finance the 230 and 500-kv portions of the project. Kreditanstalt for Wiederaufbau (KfW) of Germany is being considered to provide \$32.8 million to finance the 230-kv Masinloc-to-Labrador transmission line.

Thailand

Thailand: Official Reports on Banhan Talks With Lake

BK1207024196 Bangkok THE NATION in English 12 Jul 96 p A3

[Report by Rita Pattiayasewi]

[FBIS Transcribed Excerpt] Thailand and the United States will increase cooperation on security issues and conduct more bilateral discussions on the situation in Burma, Cambodia and other countries in the region. Foreign Ministry Permanent Secretary Thep Thewakun said yesterday.

Thep said U.S. National Security Adviser Anthony Lake and Prime Minister Banhan Sinlapa-acha had discussed Burma and Cambodia and agreed that stability was vital for the region's economic development. However, Lake

did not specifically ask Thailand to take measures to pressure Burma's military junta, known as the State Law and Order Restoration Council (SLORC), Thep said.

He quoted Banhan as telling Lake that problems in Burma and Cambodia would eventually be resolved because of the two countries' desire for economic development.

He said the emphasis on peace and stability by various countries would complement economic growth.

According to Thep, Banhan told Lake about his meeting with the SLORC during which he reiterated Thailand's position of non-interference in Burma's domestic affairs. However, Banhan also said Thailand was concerned that the turmoil could affect Thailand.

Speaking at a press conference yesterday, Lake said the U.S. sees economic sanctions as a useful tool to encourage SLORC to open talks with democracy leader Aung San Suu Kyi. He said the decision for economic sanctions depends mainly on the Burmese themselves.

At the moment, some U.S. congressmen are pushing for economic sanctions against Burma, which they accuse of numerous human rights violations. Their call has been echoed by several top American universities, including Harvard and Stanford.

U.S. firms doing business in Burma are also under increasing pressure from shareholders and human rights groups to divest.

Pepsi-Cola withdrew its stake in a venture in Burma earlier this year after lobbying by rights groups. [passage omitted on AFP report]

Lake said the U.S. would raise issues concerning Burma and Cambodia at the upcoming ASEAN Regional Forum.

"In Cambodia, we want to work with the Thai government very closely in trying to ensure the survival of democracy there, and ensure that the coalitions there stay together so the Cambodians will not again plunge into the kind of total tragedy that we have seen," Lake said.

Thailand: Japan Requested To Ease Tariff, Nontariff Barriers

BK1207041096 Bangkok THE NATION in English 12 Jul 96 p B2

[Report by Nitsara Sihanam]

[FBIS Transcribed Text] Thailand has asked Japan to relax both tariff and non-tariff barriers to allow more Thai farm exports to enter its markets, according to a

source who attended the meeting for Policy Dialogue on Trade and Investment on Monday.

Thai officials also urged Japan's Food Agency to allocate rice import quotas to Thailand more fairly, especially for the next round of allocations on July 26.

Led by Pracha Charutrakunchai, director-general of the Foreign Trade Department, Thai officials urged their Japanese counterparts to cut tariffs on tapioca flour and frozen chicken to allow Thai exporters greater access to Japan.

Thai officials also informed the Japanese that restrictive sanitary standards have prevented Thai rice, frozen shrimp, pork and vegetables from entering the Japanese market.

Thai and Japanese officials met at the Policy Dialogue on Trade Industrial and Investment forum in Tokyo on Monday.

Japan is now the second largest market for Thai exports, following the ASEAN region. The two-way trade between Thailand and Japan rose steadily during 1991-1995, accounting for 24.5 per cent of Thailand's total external trade. Last year, the two-way trade totalled U.S. \$30.95 billion. Thailand recorded a trade deficit of \$11.9 billion, or about 91.5 per cent of the total Thai deficit.

Japanese delegates also proposed giving more assistance under the sub-regional cooperation programme to Indochinese countries and ASEAN economic programmes such as the ASEAN Investment Cooperation and ASEAN Free Trade Area forums.

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KNU senior leaders said the objective of the negotiation with Rangoon was to reach cease-fire agreement nationwide, but it would not mean the KNU will surrender its arms to the Burmese government.

The KNU's 12-member peace-talk delegation, led by Commander Gen. Tamla Baw, recently returned from Burma after the fourth round of talks with Burmese military rulers were failed.

The SLORC officials met with the KNU delegation from June 28 to July 6 at Moulmein and Rangoon, but no agreements were reached or signed during the talks.

Thailand: EU Plans To Tax Imports of Thai Polyester Yarn

BK0907054096 Bangkok BANGKOK POST in English 9 Jul 96 p 16

[Unattributed Report]

[FBIS Transcribed Text] The European Union is set to impose anti-dumping duties of 7.9-29.6% on imports of polyester filament yarn from Thailand, according to a Commerce Ministry source.

The source said the duties would be applied for four months, retroactive to May 30. Individual companies would face different rates depending on the depth of their cooperation in providing cost information to EU investigators.

The EU also announced plans to collect anti-dumping duties of 4.9-22% from Indonesia.

The collection of anti-dumping duties from Taiwan was announced earlier this year, and EU investigators are currently looking into dumping allegations by its members against Malaysia.

India was exempted from penalties because the market share of its textiles has fallen to 0.9%, leading the EU to conclude that they were unlikely to harm domestic industries.

The source said exports of Thai polyester yarn to the EU were very low, accounting for less than a three per cent share of the market. However, the EU applied the regulation based on the fact that the accumulated market share of the Asian countries under investigation was more than five per cent.

Thai exporters had earlier urged the EU to examine the competitiveness of European textile industries before initiating anti-dumping measures to protect them.

Thailand: Government Urged To Retaliate Over EU Tax Move

BK0807050496 Bangkok BUSINESS DAY in English 8 Jul 96 p 1

[Report by staff writer]

[FBIS Transcribed Text] Thailand should strengthen its bargaining power by imposing import duty on prod-

ucts from the European Union (EU), Somsak Panitthayasai, vice chairman of the Frozen Food Association, said at the weekend.

The suggestion was made to prompt government action to protect exporters after the EU canceled the General System of Preferences (GSP) for Thai marine product exports.

Out of total annual frozen shrimp exports of 60 billion baht 4.9 billion baht's worth go to the EU.

Mr Somsak said the Government should increase import duty on significant imported products from the EU such as wine, dairy products, cereals and marine products. The action is necessary to deter Thailand's other trading partners from action similar to the EU's, he said.

Mr Somsak said the scrapping of the tax privileges has put Thailand at a disadvantage with its competitors because they still enjoy privileges apart from the tax issue, the EU has also toughened restrictions on use of benzoic acid in frozen shrimp. The permitted amount of the additive in the exported shrimp has been reduced from 0.8 percent to 0.2 percent.

He said the new restriction is discriminatory because shrimp produced within the EU is still allowed to contain 0.6 percent of the additive.

The initial effect of the EU move will be a cut in revenue. According to 1994 figures the tax privilege was worth U.S. \$50.88 million or about 1.27 billion baht.

The United States is the largest market for Thai shrimp. Thai shrimp exporters are facing difficulties after the U.S. imposed a ban on sea shrimp products from countries that do not take measures to prevent turtles becoming trapped in fishing nets.

While trying to settle the problem with the U.S., the Government earlier suggested that exporters attempt find alternative markets for their products.

Mr Somsak said to find the new markets for frozen shrimp is very difficult because shrimp is much more expensive than other meats.

The tax barrier is still a problem as, for example, Taiwan has a 40 percent import duty and Korea 35 percent. China is a new market with high export potential but it practices a quota system which is effectively a hurdle for exporters to overcome.

Thailand: Deputy Foreign Minister Discusses Work Plans

BK0907051396 Bangkok BANGKOK POST in English 9 Jul 96 p 3

[Unattributed Report]

[FBIS Transcribed Text] Deputy Foreign Minister Pracha Khunakasem says he will apply his diplomatic experience to boost exports and resolve border problems.

Mr Pracha, who replaces Charat Phuachuai under the Phalang Tham quota, said it was necessary to join hands with the Commerce Ministry and other agencies to protect existing markets and find new ones.

Speaking after a meeting with senior officials, the former foreign permanent secretary said exports needed attention since Thai goods especially textiles, footwear and fisheries products, were becoming less competitive due to rising production costs.

The Bank of Thailand has predicted that this year's economic growth, which relies on exports, will fail to reach the target of 8.3 percent.

To remedy the situation, Mr Pracha said, Thailand must build up its internal strength and ensure stable relations with its immediate neighbours.

Problems at the border are natural for countries sharing common frontiers but "we have to make efforts to keep them manageable" and to promote trade and contacts, he said.

As deputy minister, Mr Pracha is in charge of settling border disputes with Burma while Foreign Minister Amnuai Wirawan takes care of the same problem with Laos.

Mr Pracha said he would discuss with Mr Amnuai how the joint commission should be developed as a forum for enhancing bilateral relations with neighbouring countries.

Thailand has set up ministerial-level joint commissions with all its immediate neighbours, including Burma, Laos, Cambodia, Vietnam, and Malaysia.

Mr Pracha is also to discuss with Mr Amnuai the future of unfinished projects started by Mr Charat during his four months in office.

Mr Pracha said he had resigned from being adviser to Prime Minister Banhan Sinlapa-acha in order to assume the post of deputy foreign minister.

Vietnam

SRV: Planning Postnormalization U.S. Ties 'More Important'

BK1107082796 Hanoi Voice of Vietnam in English 1000 GMT 11 Jul 96

[Station Commentary]

[FBIS Transcribed Text] The diplomatic relation between Vietnam and the United States is one year old this month. This relation is very young compared with Vietnam's relations with other countries. However, it has taken a new road. People remember U.S. President Bill Clinton's decision to normalize relations with Vietnam on 11 July 1995 as a brave decision. It helps the U.S. overcome the so-called Vietnamese syndrome. To make up for such a belated decision, relations between the two countries improved considerably over the last one year. Not long after the normalization of relations, U.S. State Secretary Warren Christopher visited Vietnam. Many working visits to the U.S. by Vietnamese officials including a deputy prime minister and ministers, and seminars relating relations between the two countries have helped to maintain the momentum. In mid-July this year, National Security Adviser to the U.S. President Anthony Lake will visit Vietnam.

These activities show that the two sides have built a firm foundation for the development of relations. The U.S. has officially declassified Vietnam as a war zone and has recognized Vietnam's full corporation in the MIA issue. This indicates certain changes in the U.S. attitude and evaluation towards Vietnam, i.e. Vietnam becoming new partner of the U.S. In a short period the investment of American companies in Vietnam has increased rapidly, now ranking the eighth foreign investor with a total capital of \$700 million.

Realities over the last year show that normalization of relations was an important milestone, but the more important thing to do is to work out a plan for the new stage — the post-normalization stage. This is because relations between Vietnam and the U.S. at present is not only the relations between the two countries relating to a common past period, but it has become one of basic factors for new situation in Asia and the Pacific. These relations help serve the interests of most countries, and at the same time they have an increasingly positive impact for other countries inside and outside the region. The progress in relations between Vietnam and the U.S. over the last one year shows that the two countries have been on the road to new targets.

SRV Foreign Minister Receives Visiting Australian Counterpart

*BK0607102096 Hanoi VNA in English
0601 GMT 6 Jul 96*

[FBIS Transcribed Text] Hanoi VNA July 5 — Vietnamese Foreign Minister Nguyen Manh Cam held talks with visiting Australian counterpart Alexander Downer here this morning.

During the talks, the two ministers reaffirmed their countries' policies to continue developing bilateral relations and discussed bilateral, regional and national issues of common concern, focussing on measures to boost the friendship and multifaceted cooperation between the two countries.

They noted with satisfaction the fine development of bilateral relations in recent years, particularly in trading and investment. The two sides have also cooperated in areas of health care, education, mining and infrastructure construction. The two-way trade turnover between the two countries has increased considerably in the last five years, with that of last year reaching USD 450 million. Australia is one of the ten largest investors in Vietnam with 58 projects worth USD 935 million.

The Australian foreign minister announced his country's decision to continue helping Vietnam in building the Bac My Thuan Bridge in the Mekong River Delta, Australia's biggest investment project in the country to date. He also reiterated that the Australian Government would continue its commitment on official development assistance (ODA) for the 1994-97 period, and continue to help Vietnam in health care, education and training, infrastructure construction and natural resource development.

Welcoming Mr. Downer's visit, Foreign Minister Nguyen Manh Cam expressed gratitude to Australian Government and people for their valuable assistance which will help boost socio-economic development in Vietnam, improving the living standard of the Vietnamese people. He said he hoped Australia will continue sharing its experience with Vietnam in fields it has strength.

In regard to regional and international issues, the two foreign minister voiced their countries' aspiration to make positive contributions to peace, stability, friendship and cooperation in the region and the world at large.

SRV: Australian Foreign Minister on 'Very Good Relationship'

*BK0607091796 Hanoi Voice of Vietnam in English
1000 GMT 5 Jul 96*

[FBIS Transcribed Text] At the invitation of Vietnamese Foreign Minister Nguyen Manh Cam, Mr. Alexander Downer, minister of Foreign Affairs of Australia paid an official visit to Vietnam from 4-5 July.

This visit is significant in that it is the first visit to Vietnam by an Australian foreign minister since the change of government in Australia in March this year. On Friday morning the Australia foreign minister held a press conference to inform results of his Vietnam visit. Speaking to newsmen the Australian foreign minister says:

[Begin Downer recording in English] I am delighted to be the first minister of the new Australian coalition government to visit Vietnam, and indeed I am one the first ministers from my party that have been to Vietnam at all since the time of the Vietnam War. It is a relationship that we value. We regard it a very important relationship. Vietnam is a country that is increasingly participating in regional affairs as a member of ASEAN, and as a country that participates in the ASEAN Regional Forum, and as a country which is progressively deregulating and opening its economy. I believe that our relationship with Vietnam can go from strength to strength.

We gave some consideration to the relationship after the last election. One of the issues we had to consider was whether we would proceed with the plan of the previous Australian Government to build the My Thuan Bridge in the Mekong. We had. It is true that the opposition had been critical of the project. We looked at a large number of factors, first of all the importance that the Vietnamese Government places on the project. Secondly the fact the Australia has already, or will have by later this year, spent a sum of nearly \$10 million into the project through a feasibility study and also through the design of the bridge. And thirdly, we had to look at the developing implications of this project. We decided that we believe in the interests of all concerned, and bearing in mind we already spent nearly \$10 million on the project to proceed with the building of the bridge. And that has clearly been very much appreciated by Foreign Minister Cam and by the Vietnamese Government. We also talked about a large number of other issues. We particularly appreciate the support that Vietnam is giving to Australian policy of regional engagement which is our first foreign policy priority. The support we get from Vietnam is an illustration of the strength of our relationship. For example, Vietnam is supporting

Australia's bid to participate at the next Asia-Europe Summit meeting to be held in London in early 1998. Foreign Minister Cam has given me the assurance that Vietnam will vote for Australia to become a member of the United Nations Security Council either for this year or next year. And there are other areas of mutual cooperation which I think illustrate the point that no bilateral relationship is without its difficulties, and we do have some difficulties with Vietnam, and that in essence this is a very good relationship, and one which we are committed to developing. [end recording].

SRV: Australian Foreign Minister Concludes Visit
BK0507153796 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 5 Jul 96

[FBIS Translated Text] Australian Foreign Minister Alexander Downer and his entourage left Hanoi this afternoon, thus concluding his successful official visit to Vietnam.

SRV: Press Communique on Australia's Downer's Visit Issued

BK0507143096 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 5 Jul 96

["Press communique" issued on the results of Australian Foreign Minister Alexander Downer's official visit from 4-5 July — place and date not given]

[FBIS Translated Text] 1. At the invitation of Foreign Minister Nguyen Manh Cam, Australian Foreign Minister Alexander Downer paid an official visit to Vietnam from 4-5 July 1996. This visit is of great significance as it is the first by an Australian foreign minister since the change in government there in March 1996.

2. While in Vietnam, Minister Alexander Downer was received by State President Le Duc Anh and Prime Minister Vo Van Kiet. The Vietnamese leaders hailed Minister Alexander Downer's official visit to Vietnam as further strengthening the friendly and cooperative relations in the interests of the two peoples and of regional peace, cooperation and development.

3. Foreign Minister Nguyen Manh Cam held talks with his Australian counterpart Alexander Downer in an atmosphere of friendship and mutual understanding.

At the talks, the two sides informed each other of the situation in their respective countries. They also exchanged views on a wide range of bilateral, regional, and international issues of mutual concern, emphasizing measures to further promote friendly relations and multifaceted cooperation between Vietnam and Australia.

4. The two ministers unanimously held that the development of Vietnam-Australia relations is of great significance for both countries and the region as a whole.

5. The two ministers also agreed that Vietnam and Australia will continue to cooperate on regional and international issues in the interests of the two countries.

Vietnam welcomes Australia's policy to strengthen its close cooperation with the region, especially with ASEAN member countries.

Australia welcomes Vietnam's policy to continue integrating into the region and the world community through membership with ASEAN, normalizing ties with the United States, and strengthening relations with the European Union. Against this background, Australia welcomes Vietnam's interest in joining the Asia-Pacific Economic Cooperation forum.

Australia highly values Vietnam's understanding of Australia's regional role as well as its desire to attend Asia-Europe summit meetings — ASEMs — in the future.

The two sides expressed their desire to strengthen cooperation with other neighboring countries in the region in a bid to develop the Mekong River Basin through forums such as the Mekong Committee, the Mekong Cooperation and Development Forum, and the Indochina Development Forum.

6. The two ministers affirmed their pledge to develop the existing fine relations between Australia and Vietnam.

The two ministers hailed the vigorous development in ties between the two countries, especially in trade and investment; and discussed measures to further increase them in the interests of the two peoples.

Minister Alexander Downer affirmed the Australian Government's pledge to continue cooperating with Vietnam under the cooperation and development programs, to meet Vietnam's priority requirements in its development process, and to help eliminate hunger and alleviate poverty with emphasis placed on priority areas such as public health, education, and training, on building infrastructure, and developing natural resources.

In this spirit, the two sides were pleased to announce that the two countries would continue with the project to build the My Thuan bridge spanning the Mekong River with Australia contributing A[Australian]\$55 million dollars and Vietnam AS\$28 million dollars.

Construction will begin by 1997 after work on the design, which is being urgently done now, is completed.

The two ministers agreed that the My Thuan bridge which links the Mekong River granary with Ho Chi

Minh City would bring considerable profit to the millions of Vietnamese people.

The project will help improve the exchange and transportation of goods, encourage the development of various industrial sectors, and promote and create more jobs in that area.

7. The two ministers hailed continued high-level visit exchanges between the two countries. In this spirit, the two sides hailed the upcoming visit to Vietnam of the Australian deputy prime minister and minister of trade, Tim Fischer, as well as the exchange of various National Assembly and trade delegations and a number of working-level delegations between the two countries.

8. Minister Alexander Downer sincerely thanked the warm welcome and the hospitality given by the Vietnamese Government and people to the delegation during their visit to Vietnam.

On this occasion, Minister Alexander Downer extended his invitation for Minister Nguyen Manh Cam to visit Australia in an official capacity by the end of this year. Minister Nguyen Manh Cam accepted this invitation with pleasure. The specific timing for the visit will be arranged through diplomatic channels.

SRV Foreign Minister Visits New Zealand

*BK1107163896 Hanoi VNA in English
1542 GMT 11 Jul 96*

[FBIS Transcribed Text] Hanoi VNA July 11 — Foreign Minister Nguyen Manh Cam paid a four-day official friendship visit to New Zealand from July 7.

While in New Zealand, Foreign Minister Nguyen Manh Cam was received by Prime Minister James Bolger. He held talks with New Zealand's Deputy Prime Minister Don McKinnon, who is also minister of foreign affairs and overseas trade, and had working sessions with Minister in Charge of Trade Negotiation Philip Burdon and others.

Prime Minister James Bolger expressed his pleasure at the success of the Eighth National Congress of the Communist Party of Vietnam and at achievements recorded by the Vietnamese people over the past years. He was pleased to see the fine development of the relations between the two countries and affirmed his country's policy and wish to further develop the bilateral cooperation.

At bilateral talks and contacts, the two sides exchanged views on issues relating to bilateral cooperation, regional and international issues of common concern and discussed concrete measures to further strengthen the existing cooperative ties, especially in trade, investment,

agriculture, forestry, education and training, science and technology.

During the visit, Foreign Minister Cam exchanged views with a large number of business people, scholars and visited a number of universities, technical institutes and economic establishments in New Zealand.

The host affirmed to continue providing Official Development Assistance (ODA) to Vietnam, to help Vietnam in training at tertiary and post-graduate levels and share with Vietnam its experiences in agriculture, forestry and fishery, science and technology, infrastructural construction, railway and aviation development, agricultural and forest produce processing, dairy products, meat and poultry husbandry, and rural development.

On regional and international issues, the two sides expressed satisfaction at the recent positive developments and confirmed their wish to contribute to the increasing trend of peace, stability, cooperation and development in Asia and the Pacific. New Zealand warmly welcomed the ASEAN membership of Vietnam and Vietnam's position as a co-ordination in the ASEAN-New Zealand relationship. New Zealand also supports Vietnam in the latter's application to become an APEC (the Asia-Pacific Economic Cooperation forum) member.

SRV: Repatriation Talks Held With German Interior Secretary

*BK0607152296 Hanoi VNA in English
1457 GMT 6 Jul 96*

[FBIS Transcribed Text] Hanoi VNA July 6 — Talks were held here on July 4 by Vietnamese Deputy Foreign Minister Nguyen Dy Nien and German Secretary for the Interior Kurt Schelter, who paid a working visit to Vietnam on July 4 and 5.

Deputy Minister Nien informed the guest of the implementation of the agreement on repatriation of illegal Vietnamese residents in Germany. He affirmed Vietnam's efforts and goodwill to resolve the issue, refuting groundless reports that Vietnam wanted to re-negotiate the agreement.

The German side expressed their satisfaction at the recent progress in the finalisation of formalities to take back illegal Vietnamese nationals to Vietnam, and welcomed Vietnam's goodwill to cooperate with the German side to fight against criminal activities among Vietnamese in Germany.

Mr. Kurt Schelter also held talks with Vietnamese Deputy Minister of the Interior Le The Tiem on the repatriation and the issue of reducing criminal activities.

The two sides expressed their satisfaction at their initial success and agreed to boost bilateral cooperation to implement the agreement.

While here, Mr. Kurt Schelter called on cabinet Minister Le Xuan Trinh.

SRV: \$3 Billion in Foreign Investments Licensed at Midyear

*BK0807075096 Hanoi VNA in English
0734 GMT 8 Jul 96*

[FBIS Transcribed Text] Hanoi VNA July 8 — One hundred and sixty more foreign investment projects were licensed in the first six months of this year with combined investment capital of USD 3 billion, bringing licensed projects to 1,640 with aggregate capital of USD 21 billion.

Most of the newly-licensed projects are of large scale and engage in production and infrastructure construction.

Also in the first half of this year, 70 on-going projects have seen their initial invested capital increase, totalling USD 300 billion.

Meanwhile other foreign investors applying to invest USD 3 billion are awaiting licences. However, project appraisal is a difficult, time-consuming process, an official from the Ministry of Planning and Investment told VNA, adding that these projects have their own specific and unprecedented characteristics. He convinced potential investors that his ministry is trying to speed up the project appraisals to meet time limits stipulated by the foreign investment law.

It is predicted that at least 140 more projects will apply for licences combining investment of USD 2.6 billion over the remainder of the year, raising the total number of projects applying for investment licences in 1996 to around 320 with combined capital of USD 9 billion.

SRV: Le Xuan Tung Speaks at Eighth National Party Congress

*BK0907032596 Hanoi QUAN DOI NHAN DAN
in Vietnamese 30 Jun 96 p 2*

[“Excerpt” of speech by Le Xuan Tung, delegate from Hanoi Party Organization, delivered at the Eighth National Party Congress in Hanoi on 29 June]

[FBIS Translated Text] ...The forefront issue that catches the attention of most cadres, party members, and people of Hanoi is the implementation of national industrialization and modernization strategy on a nationwide scale including Hanoi for the five-year period from 1996-2000 and up to 2020.

We totally agree on the objectives: During the five-year period of 1996-2000 it is essential to "pay special attention to industrializing and modernizing agriculture and economy in the countryside." This is because agriculture plays a very important role in our country at present and in the future while the countryside is still the key area; and, that the potentials of agriculture and the countryside are great in various areas. As a result, agriculture and the countryside should be the first important areas that we should consider when developing an base for industrialization and modernization.

Industrialization and modernization will make Hanoi and other cities more magnificent and beautiful. The question is whether material civilization and high rise buildings built with steel bars, cement, and brick and tile will obscure all the national historical and cultural values attained through great effort and intelligence by our forefathers? We are thinking and worrying about this issue. We raise this issue in anticipation of preparation for the upcoming 10th centennial anniversary of Thang Long [Rising Dragon — the former name of Hanoi]. We are relatively confident, however, when we found the general answer in the party Central Committee's political report presented at the Eighth National Party Congress saying: "All cultural and artistic activities in the immediate future and beyond must be aimed at building and developing an advanced culture imbued with national characteristics." Nevertheless, we are still worried because implementation of this task is not easy. We could envisage the armed struggle we had carried out to protect the fatherland; but we could not fully foresee and have never carried out a real cultural war to protect our national colors — the war which is approaching. Industrialization, modernization, and international relations will supplement and enrich our culture with new, beautiful values. However, we noticed that a new trend has developed especially among the youth and teenagers, that is the trend of preferring a foreign, or "Westernized," lifestyle, dress, music, and film... There is nothing more dangerous than cultural infiltration. This is because when a culture is annihilated the nation will no longer exist. The land, mountains, and rivers will still remain, but whether their sacred souls will be protected is another question. Speaking on this issue, we would like to express but one hope: After the Eighth National Party Congress, the same scale and dimension of efforts reserved for industrialization and modernization should also be given to building spiritual and cultural civilization.

This is because industrialization and modernization will not only develop the production force but will also establish new production relations. It is the dual process of industrialization and modernization. Humans

still have to use their feet no matter how advanced modernization becomes.

The Hanoi party organization and people have, for the past several years, proceeded along the path of renovation path forth by the party. They have been led and guided by the party Central Committee and assisted by various ministries and sectors. As a result, they have consistently struggled to maintain more effectively the central role of Hanoi. During the past five years, Hanoi's annual GDP averaged at 12 percent, industrial value increased by more than 14 percent, foreign investment more than 69 percent particularly during the past two years. Nevertheless, in comparison with the requirements of the set orientations and tasks from now to 2000 and beyond, what Hanoi has achieved is still very moderate.

SRV Paper Welcomes 'Success' of Party Congress
BK1107162296 Hanoi NHAN DAN in Vietnamese
2 Jul 96 p 1,2

[Editorial: "Firmly Grasping Opportunities, Overcoming Challenges, and Being Determined To Successfully Carry Out the Eighth National Party Congress Resolutions"]

[FBIS Translated Text] After a period of intensive work in a democratic, united, and unanimous spirit, the Eighth National Party Congress concluded successfully. The congress reviewed the implementation of the resolution of the Seventh Party Congress and the renovation process over the past 10 years; decided on the objectives to be achieved and the orientations and approaches to be followed to carry out national industrialization and modernization until the year 2000 and 2020 along the socialist path; and amended and revised the Party Statute. The congress elected the party Central Committee which, led by esteemed Comrade General Secretary Do Muoi, is made up of comrades with good quality and ability who can lead our entire party, Army, and people in firmly grasping opportunities, overcoming challenges, successfully carrying out the Eighth Party Congress resolutions, and steadily advancing toward socialism.

As Comrade Do Muoi said at the congress' closing session: The success of the congress comes as "a great source of joy and encouragement for our entire party, people, and Army. The results of the congress are of decisive significance for the destiny of the people and the future of the country at a time when we are at the threshold of the 21st century."

Our renovation process and our national construction and defense continue to develop amid a rapidly changing and complex world situation fraught with unpredictable factors. Fundamental differences in the world

continue to exist and develop ever more critically in certain aspects with many new aspects to their substance and structure. The scientific and technological revolution continues to develop at an ever-quicker pace, thus spurring the process of changes in the world economic structure and in the internationalization of socioeconomic activities. Today, international relations of peace, stability, and development cooperation have become a more pressing demand from various peoples and countries in the world. Cooperation is increasing while competition is also becoming much fiercer. Nationalistic struggles and class struggles continue to take place under various forms. Many great opportunities and challenges are lying ahead of us. Great opportunities are first being created from the fruitful achievements of the renovation process and national construction and defense and also from the effect of the many positive trends in the world. Challenges arise from the four dangers that have already been outlined in the documents of the party congress. As these dangers are interrelated, interactive, and equally perilous, we should not underestimate any of them. Advantages and difficulties, opportunities and dangers are intertwined. We must take the initiative in seizing opportunities, surging forward to achieve rapid and steady development, and creating new strength and stature. At the same time, we must always be alert, trying to dispel and overcome all the dangers, including newly-arising ones, in order to ensure that national independence and sovereignty are firmly safeguarded and that national development is developed in the right direction. All these are the heavy responsibilities of our entire party, Army, and people.

After 10 years of renovation, our country has extricated itself from the severe and prolonged socioeconomic crisis that lasted for more than 15 years. Although some areas are not really steady as yet, we have created the necessary requisites to move into a new developing period for the acceleration of national industrialization and modernization. This is the very important conclusion of the Eighth National Party Congress, whose foremost significance is in outlining directions and tasks until the year 2000 and even for the next few decades. The goal of industrialization and modernization is to change our nation into an industrialized country with a modern material and technological foundation, a rational economic structure, and with progressive production relations that match with the development level of the production force. It is also to give our people a high material and spiritual life and our country a steadfast national defense and security, and to make our people prosperous, our country powerful, and our society equitable and civilized for successful socialist construction.

Based on that course of action, the Eighth National Party Congress has decided to basically turn our country into an industrialized one by the year 2020. Therefore, the period from now till the year 2000 will be a very important step forward in the new stage designed to accelerate the renovation process comprehensively and harmoniously, to continue developing the multisectoral commodity-based market economy that operates under state control in accordance with the market system and in the socialist direction. We must strive to attain or to exceed our set goals of achieving rapid economic development with high and lasting results in conjunction with efforts to settle pressing cultural and social issues, concern ourselves with human resource development, practice social justice, ensure national defense and security, improve the people's lives, increase capital accumulation from within the economy, and attract foreign capital. This will create a strong foundation for faster development early in the next century.

National construction and defense are always linked with party leadership. In our country, if there were no communist party leadership, there would be no national independence; no genuine people's right to mastery; no government of the people, by the people, and for the people; no social justice; and no socialism. The core duty is to make the party increasingly stronger in politics, ideology, and organization, especially at a time when the country is shifting to a new development period. The party must firmly maintain and strengthen the character of its worker class, manifested in its socialist goals and ideals; its ideological foundation of Marxist-Leninism and Ho Chi Minh thought; its democratic centralism principle; its political stance and personnel management; its close ties with the people and the nation, and its correct combination of genuine patriotism with the internationalism of the workers. In the current situation, we must pay attention to the conduct of indoctrination to steel and improve the political acumen, revolutionary quality, and intellectual standards of party cadres and members. Cadres and members must preserve their morals; be "diligent, frugal, honest, and righteous" and "impartial and disinterested"; have a healthy lifestyle, a good sense of organizational discipline; and closely associate themselves with the people. They must not succumb to bureaucratism and corruption. They must be determined to fight these evils effectively. They must devote themselves to study and training.

Revolution is the cause of the people. The strength of the great national unity bloc, which includes overseas Vietnamese nationals, under party leadership is the invincible force that has created one victory after another at various stages of our revolution. The tenet of "Unity, Unity, and Great Unity; Success, Success, and Great

Success" is a valuable historic lesson and the glorious tradition of our party, formed and forged by President Ho Chi Minh. Party committees at all levels must pay the greatest attention to public motivation. They must firmly consolidate the all-people great national unity bloc, and motivate the entire party, Army, and people to firmly grasp opportunities, overcome challenges, accelerate industrialization and modernization, and successfully carry out the resolutions of the Eighth National Party Congress to build a prosperous population, powerful nation, and equitable and civilized society in the socialist direction.

SRV Cabinet Meets in Hanoi To Hear State Plan, Budget Reports

*BK0607151696 Hanoi VNA in English
1453 GMT 6 Jul 96*

[FBIS Transcribed Text] Hanoi VNA July 6 — The government held a regular cabinet meeting here on July 5-6 under the chairmanship of Prime Minister Vo Van Kiet.

The cabinet members heard reports on the implementation of the state plan and budget in the first six months of 1996 and discussed measures to carry out tasks for the second half of the year by Planning and Investment Minister Do Quoc Sam and Finance Minister Ho Te.

The cabinet unanimously agreed that socio-economic development in the first six months continued rising. The yield of winter-spring rice crop reached 12.9 million tonnes or 900,000 tonnes higher than that of the last year, a record so far. Industrial production value was up by 13.2 percent compared to the corresponding period last year. The service sector, import-export activities, foreign and domestic investment, and investment in capital construction also saw progresses. The government members agreed to speed up industrial production, exports, and capital construction and exert more efforts to gain the balance of state budget.

Also at the meeting, the government heard cabinet Minister Le Xuan Trinh summing up opinions by cabinet members on 'Draft Foreign Investment Law' (Revised) and on 'Report on Draft Bill on Business Revenue Tax, Income Tax, and Value Added Tax', which will be submitted to the next session of the National Assembly.

SRV: Turnover of State-Run Corporations Hits US\$1.5 Billion

*BK0807074196 Hanoi VNA in English
0709 GMT 8 Jul 96*

[FBIS Transcribed Text] Hanoi VNA July 8 — Eighteen corporations under the Ministry of Industry grossed a

combined turnover of VND [Vietnamese Dong] 16.06 trillion (roughly USD 1.45 billion), accounting for 26 per cent of the industrial value of the whole country. They remitted to the state budget VND 2,112 billion (roughly usd 190 million) in the first six months of this year.

In comparison with the corresponding period last year, the industry ministry's total production output and turnover were up by 14.19 and 18.2 per cent respectively.

The ministry is making great efforts to exceed the 1996 yearly plan by four per cent in which gross productivity increase by 16 per cent combined turnover by 19 per cent and state budget remittance by one per cent, reaching VND 4,594 billion (usd 420 million). It is also targeting output increases ranging from 2.3 to 140 per cent compared to 1995 for key products of the national economy including electricity, clean coal, steel, chemical fertilizer, electric and mechanical engines, garments, beer and milk.

Australia

Australia: Foreign Minister Departs for One-Day Visit to SRV

BK0407080896 Melbourne Radio Australia in English 0600 GMT 4 Jul 96

[FBIS Transcribed Text] Australian Foreign Minister Alexander Downer is on his way to Hanoi for his first official visit to Vietnam. During his 24-hour stay, the minister will hold talks with economic officials, Australian business representatives, and his Vietnamese counterpart, Nguyen Manh Cam. As Peter Meres reports Mr. Downer is also expected to make an announcement on the future of the controversial My Thuan bridge over the Mekong River.

[Begin Meres recording] With \$55 million [Australian dollars] in Australian aid fund, the My Thuan bridge would be the biggest infrastructure project ever funded by Canberra. Former Prime Minister Paul Keating promised to build the bridge when he visited Vietnam in April 1994, but the project was thrown into doubt over change of government in March. While in opposition, Mr. Downer was sharply critical of the bridge, and after taking office as minister he put the project under review. Over expectations are high among Vietnamese officials that Mr. Downer will now give the project the green light as a way of confirming Australia's commitment to the bilateral relationship and continuing engagement with Asia. [end recording]

Australia: Foreign Minister's SRV Visit, Talks Reviewed

BK0607101296 Melbourne Radio Australia in English 0500 GMT 6 Jul 96

[FBIS Transcribed Text] Australia's foreign minister, Alexander Downer, has left Vietnam after holding extensive talks with senior government leaders. Mr. Downer held discussions with his counterpart, Nguyen Manh Cam, and met with Prime Minister Vo Van Kiet and President Le Duc Anh.

As Peter Meyers reports, one of the most sensitive issues on the agenda was Australia's plans for commemoration of a Vietnam war battle site. August the 18th marks the 30th anniversary of the Battle of Nong Carr, the most important and costly engagement to involve Australian troops in Vietnam. Meyers says Canberra would like Deputy Prime Minister Tim Fischer to lead other Vietnam veterans in some form of ceremony to commemorate the anniversary, although the issue was extremely sensitive. Mr. Downer said he did not promise any agreement but added that Vietnam now understood Australia is proposing a moderate ceremony.

Australia: Manufacture of Military Plane With Indonesia Studied

BK0107065596 Sydney THE SYDNEY MORNING HERALD in English 1 Jul 96

[Report from correspondent Louise Williams in Jakarta—received via Internet]

[FBIS Transcribed Text] Indonesia and Australia have agreed to study the joint manufacture of a military support aircraft, a significant development in defence ties between nations which formerly viewed each other as potential enemies.

The production agreement covers the Phoenix CN235 aircraft being developed by Indonesia's national aircraft manufacturer IPTN for the Asia-Pacific market.

The agreement was announced at the Indonesia Air Show 96 in Jakarta, where an Australian RAAF F111 fighter jet was on display over the weekend for the first time, complete with dummy bombs. The F111 was bought by Australia in the 1960s and has the specific technical capability of running air strikes against Jakarta from the north coast of Australia.

The minister for research and technology, Mr. B.J. Habibie, said Indonesia and Australia had identified five aircraft being used by the RAAF which could be replaced by a fleet of multi-purpose Phoenix CN235s.

"The use of a multi-role aircraft can produce dramatic savings in the areas of common training for maintenance and air crew, service sites, spare parts and logistic support," an IPTN manager said after the signing.

Under the agreement, the Phoenix CN235 could be manufactured in Australia in co-operation with IPTN and its Australian partners, Aerospace Technical Services, Hawker de Havilland, Hawker Pacific and Honeywell.

The general manager of Aerospace Technical Services, Mr. Glenn Keys, said the Australian Defence Forces could save \$120 million by replacing one aircraft type with the CN235. RAAF planes identified for replacement by the Indonesian-Australian product are the HS748, Dakota, Australian Army Fixed Wing Aircraft, Broad Area Aerial Surveillance Fixed Wing Platform and the Caribou.

An RAAF spokesman would not comment on a commercial agreement.

Australia: MacLachlan on Indonesian Ratification of Defense Pact

LD0507112396 Melbourne Radio Australia in English 0900 GMT 5 Jul 96

[FBIS Transcribed Text] Defense Minister Ian MacLachlan has welcomed news that Indonesia's President Suharto has ratified the security agreement with Australia that was signed last year.

Mr. McLachlan says Indonesia's support for the agreement was made clear to him in discussions with Mr. Suharto a few days ago. The minister says the security agreement puts in place a framework for discussing any issues that arise.

[Begin McLachlan recording] (?It also allows) if we are having disagreements between ourselves, say about, you know, sea lanes, or whatever it might be, it gives you again an umbrella for discussion. So the [word indistinct] the agreement says look, here, these two countries have this understanding about their mutual security, and whatever the issues are it gives us an umbrella under which we can discuss them. [end recording]

French Polynesia**French Polynesia: Parliament Approves Nuclear-Free Zone Treaty**

LD2706084396 Melbourne Radio Australia in English 0700 GMT 27 Jun 96

[FBIS Transcribed Text] French Polynesia's parliament has approved a treaty signed earlier this year making the South Pacific a nuclear-free zone. The Treaty of Rarotonga, signed in March by Fiji, Britain, France, and the United States, was approved in an extraordinary session of French Polynesia's Territorial Assembly. Under French Polynesian law, all accords, treaties, and commercial agreements signed by France with foreign countries must be approved by the French Polynesian assembly. The agreement has three protocols—a ban on nuclear arms stockpiling, a commitment not to use or threaten to use nuclear weapons against treaty signatories, and a ban on nuclear testing.

Meanwhile, French Polynesia's pro-independence party Tavini Huiraatira has called for an independent laboratory to conduct environmental monitoring at the Mururoa and Fangataufa atolls. Pro-independence members in the assembly said France should accept responsibility for any possible damage that might have been caused to Polynesia by the nuclear tests since 1963.

French Polynesia: Security Forces Block March by Demonstrators

BK3006142196 Melbourne Radio Australia in English 1100 GMT 30 Jun 96

[FBIS Transcribed Text] Security Forces in French Polynesia have blocked a march by about 500 hundred pro-independence demonstrators in the capital Papeete. The demonstrators who set out from the nearby town of (Faa) was stopped at Papeete's western entrance on the 12th anniversary of the territory being granted autonomy by France. They had defied a ban on gatherings not part of official ceremonies marking the occasion.

Brandishing placards bearing anti-French slogans and calling for independence, the protesters said they would remain where they were as long as the opposing police did; however, following official celebrations in Papeete the demonstrators were allowed into the capital where they laid a wreath at the statue of a former senator Pouvaana A Oopas, who is regarded as a father of the independence movement.

A parade by about 6,000 people had been held in Papeete to mark the anniversary. The official ceremony conducted by the president of French Polynesia's Territorial Assembly, Gaston Flosse, was attended by the prime ministers of Vanuatu, Fiji, and the Cook Islands.

Oscar Temaru, president of the pro-independence Tavini Huiraatira Party, described the anniversary as a day of mourning and an insult to the Polynesian people.

New Zealand**New Zealand: APEC's Role Noted; Meeting in Christchurch Previewed**

BK0407150996 Christchurch THE PRESS in English 4 Jul 96

[Editorial: "Trading Nation" — received via Internet]

[FBIS Transcribed Text] When 300 ministers and officials from 18 countries meet in the Christchurch Town Hall later this month, it will be an important trade event for the Asia-Pacific region, and probably for world trade as a whole. The main aim is to use this ministerial meeting of the Asia-Pacific Economic Co-operation (APEC) forum to lead up to a meeting of the leaders of the member economies at Subic Bay, the Philippines, in November. The aim is also to influence the first World Trade Organisation (WTO) ministerial meeting in Singapore in December. Philip Burdon, New Zealand's Minister for Trade Negotiations, will chair the meeting.

Apec is the most comprehensive trade grouping in the Asia-Pacific region. It was established in Canberra

in 1989, the impetus being a recognition that the economies of the Asia-Pacific region were increasingly interdependent. For many years many people had talked about the coming "Pacific century", meaning that the centre of world trade and economic growth would shift to the Pacific region. A considerable shift has already occurred: growth in parts of East Asia, particularly South-East Asia and China, have made the region the most dynamic in the world. Apec encompasses 45 per cent of world trade, 54 per cent of world output, and 38 per cent of the world's population. The potential for continued economic and trade growth is huge.

Although not all the countries washed by the Pacific Ocean are in Apec, all the major economies of the region are. The full list is Australia, Brunei, Canada, Chile, Taiwan, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Philippines, Singapore, Thailand, and the United States. New Zealand was one of the 12 founders. Other countries have applied to join, but a moratorium has been declared on membership in the meantime. Three organisations — the Pacific Economic Co-operation Council, the South Pacific Forum, and the Association of South-East Asian Nations — have observer status at Apec meetings.

From the beginning Apec has been committed to open trading principles. It was established before the end of the Uruguay Round of world trading rules which came under the auspices of the General Agreement on Tariffs and Trade and there was occasional speculation that if the Uruguay Round failed, the US might use Apec as a trade and economic lever against the European Union. The round eventually came to a successful conclusion and the possibility never developed. To have been used in that way Apec would probably have needed an external tariff against non-Apec countries. The thrust in Apec's development has always been against this, and may be expected to continue to be against it. Nevertheless the European Union eyes Apec warily lest it becomes a formal trading bloc with external tariffs.

The goals and principles of the organisation practically rule out this possibility. One is that Apec will develop and strengthen the open multilateral system in the interests of Asia-Pacific and all other economies. Another is that Apec will reduce barriers in goods, services, and investment among participants consistent with Gatt/WTO principles, and without detriment to other economies. The clearest indication that Apec was disposed to put those principles into practice came at a meeting of leaders of the Apec countries at Bogor, Indonesia, two years ago.

This amounted to a public declaration that there would be free and open trade and investment in the Asia-Pacific region by 2010 for developed countries, and by 2020 for developing countries.

Last year at Osaka, Japan, an action plan on the Bogor declaration was adopted, binding on 21 member countries. The Christchurch meeting will review progress by countries on that plan.

The meeting will also examine how Apec can make sure that the World Trade Organisation meeting is vigorous in getting rid of trade barriers. Apec is not united on the subject. New Zealand hopes that Apec will lead by example. The New Zealand Government is thoroughly committed to freeing and encouraging world trade. Considering New Zealand's dependence on exporting, considering the reliance of manufacturers on exporting as they find that local market is insufficient, considering that the New Zealand consumer now takes for granted access to a wide range of imported goods, and considering that New Zealand has become closely locked into the world economy, no other choice is practical or sensible.

New Zealand: Chinese Reaction to Dalai Lama's Visit Viewed

BK0707154296 Christchurch *THE PRESS* in English
5 Jul 96

[Editorial: "Dalai Lama's Visit" — received via Internet]

[FBIS Transcribed Text] Don McKinnon, the Foreign Affairs Minister, is right not to take too seriously the comment from Huang Guifang, China's Ambassador to New Zealand, that New Zealand should not admit the Dalai Lama. China has objected to previous visits and New Zealand has taken the position that the Dalai Lama makes his visits as a religious leader, not as a Tibetan political leader. On his last visit he saw Jim Bolger, the Prime Minister, who made that distinction. China might not have been fully satisfied, but did not press the point unduly. The Dalai Lama should be able to visit New Zealand in the same capacity again. Mr Huang has, however, said that the visit "can by no means be acceptable to us". This represents a hardening of China's position. It is changing the rules. Mr Huang, as a representative of his government, has to follow Beijing's directions; New Zealand does not.

Of course the subject is politically sensitive. The Dalai Lama would like Tibet to be free of the rule of China, and China regards Tibet as an integral part of China. The Dalai Lama is also the religious leader of a considerable community world-wide, and his faith has its followers.

in New Zealand. He should be allowed to meet those of his faith and those who draw inspiration from him in New Zealand. New Zealand rarely bans visitors on political grounds. It would go against the grain for New Zealand to keep the Dalai Lama out.

China seems more agitated about the subject than it used to be. One cause might be that there is now greater unrest against China's rule in Tibet. China is also edgy because of Hong Kong's return to China next year and the reaction of other countries; earlier this year it also conducted missile tests near Taiwan to dissuade Taiwan from declaring independence. On territorial issues and those it says are of national sovereignty China is very firm indeed.

It is not alone in this. Most countries like to keep other countries at a distance on subjects considered of national interest. New Zealand has itself displayed marked prickliness on sporting links with South Africa and the policy of keeping ships that are nuclear-powered or might be nuclear-armed out of New Zealand ports. However, New Zealand is in no way lending formal support to the cause of Tibetan independence and China should not try to tell New Zealand who it should admit as a visitor.

Mr Huang told a seminar that the visit could interfere with the development of smooth relations. In itself such a comment cannot be regarded as a threat, though China has made definite linkages before between what it saw as support for the Tibetan cause of independence and trade. For instance, it awarded a \$US1.5 billion contract to Airbus Industrie in Europe and when Li Peng, the Chinese Prime Minister, signed the contract he said that Boeing had missed out because of bad Chinese-American relations. Interestingly enough, 200 French parliamentarians, on the eve of Li Peng's visit, had called for China to pull out of Tibet and China ignored that call.

Germany has been the latest country to feel China's wrath over Tibet. Relations had been close before it happened. Helmut Kohl, the Chancellor, had been the first Western leader to agree to inspect a Chinese guard of honour since the Tiananmen massacre. Possibly relations had been too close for some of Chancellor Kohl's countrymen. The Bundestag adopted an all-party resolution condemning "China's continued policy of repression in Tibet", and called on Beijing to open a dialogue with the Dalai Lama's "government-in-exile". These statements were bound to infuriate China, the more so because the resolution was backed by Government members as well as by the Opposition.

Another incident in Germany upset China. A think-tank, the Friedrich Naumann Foundation, which has

links to the Free Democrats, the party from which the Foreign Minister, Klaus Kinkel, comes, was co-host to a conference on Tibet in the middle of June. German Government money was going into the conference. After China's complaints, the money was withdrawn. China cancelled a visit Mr Kinkel planned to make this month. In protest, other German ministers cancelled their planned trips.

New Zealand is not acting provocatively towards China by allowing the Dalai Lama to visit. It is a fact of geographical and economic life that China will loom large on New Zealand's horizons. New Zealand has to learn to live with China, but that country has to learn to live with societies whose values are different. China should not expect other countries to agree with it, and should certainly not expect compliance with its whims.

New Zealand: New Trans-Tasman Trade Pact Signed With Australia

*BK0907082796 Melbourne Radio Australia
in English 0500 GMT 9 Jul 96*

[FBIS Transcribed Text] A new trade deal signed between Australia and New Zealand has been hailed as a major step forward in Trans-Tasman harmony. (Libby Hagareyer) reports:

[Begin (Hagareyer) recording] New Zealand's prime minister, Jim Bolger, and Commerce Minister John Luxton, signed the Trans-Tasman Mutual Recognition Trade Agreement with the Australian high commissioner in Wellington. The deal organizes product standards enabling any product made legally in New Zealand to be sold in Australia and vice versa regardless of different product standards. The agreement also mean Australia and New Zealand will recognize the occupational qualifications of each other's citizens. New Zealand's prime minister says at least another barrier has been removed to the full operation of commerce across the Tasman. [end recording]

New Zealand: Foreign Minister Urges Improvement in Ties With France

*LD1107092396 Melbourne Radio Australia
in English 0800 GMT 11 Jul 96*

[FBIS Transcribed Excerpt] New Zealand's foreign affairs minister, Don McKinnon, says it is time his country started the process of re-engaging with France. He says France will be an influence in the Pacific region for a long time to come and it is important the two countries cooperate. Relations hit rock bottom last year when France resumed its nuclear test program.

Mr. McKinnon was responding to a call from an opposition party for the government not to resume full

military relations with France. The Alliance Party said such a move would be morally inconsistent, because France's response to the World Court ruling on nuclear weapons was that of an unrepentant nuclear power. [passage omitted].

Mr. McKinnon responded that military relations with France had never been at a high level and generally involved the French seeking permission to land defense aircraft from New Caledonia in New Zealand. He said resumption of more friendly relations with France would be more at a governmental level.

Papua New Guinea

Papua New Guinea: Chan: Military Operation Not Started on Bougainville

*BK2806053896 Melbourne Radio Australia
in English 0100 GMT 28 Jun 96*

[FBIS Transcribed Text] The elite of Papua New Guinea's [PNG] security will meet in Sydney later today to discuss the eight-year conflict on the island of Bougainville.

PNG's prime minister, Sir Julius Chan, says the PNG defense forces are determined to flush out what he calls criminals from the island of Bougainville. However, Sir Julius stressed that Operation High Speed had not started, although villagers in the central area of Bougainville have been advised to relocate for their own safety.

[Begin Chan recording] A lot of these people are being kept there in the central area against their will. They are not allowed to come out and out of this environment we have a responsibility to enable them to be able to move quite freely, as we are, in the other 80 percent of the government-controlled areas. At some point you just cannot allow the criminals to continually come forward and disrupt the normal lives of the citizens of this country. We have got a responsibility. We know who they are and we are going after the criminals. We are not going out to just kill at random everybody on sight. [end recording]

Papua New Guinea: Guns Said Exchanged for Marijuana With Australia

*BK2706112796 Melbourne Radio Australia
in English 0630 GMT 27 Jun 96*

[From the "International Report" program]

[FBIS Transcribed Text] Papua New Guinea [PNG] has more than enough problems of its own with gun-related crime. It has long been believed that there is a steady flow of guns into PNG from Australia in exchange for marijuana. The trade is apparently conducted through

the Torres Strait and, as Sean Dorney reports, there is concern in Port Moresby that tougher gun laws in Australia could boost that trade.

[Begin recording] [Father Leebit] The guns that are being used in many of their tribal fights are high-powered guns and you don't pick them up that easily unless you pay for them. Now, where do the people in the country get the currency to pay for them?

[Sean Dorney] Father William Leebit, director of PNG's National Narcotics Bureau, who speaks through an electronic voice box because of threats [word indistinct], is in no doubt. The currency is PNG's potent New Guinea gold — marijuana.

[Leebit] Well, you could say they rob banks. How they do rob banks? But I doubt very much if the Kina is going to be the currency that is used, because the Kina is not worth that much in Australia. Globally, this is a problem and globally, they say in all of the meetings I have been in, that drugs are the main currency used in the smuggling of not only guns but any armament and all these things.

[Dorney] There have been a number of major operations in recent years to crack the PNG marijuana trade to Australia. In one bust in June 1994, 250 police were involved in the arrest of 13 people — one in PNG, four in Melbourne, seven in Griffith, and one on Horn Island in the Torres Strait, where a plane and the crew were waiting for three quarters of a ton of cannabis to arrive on a boat from PNG. How much of the total trade involves guns going the other way is going to be one of the core issues discussed at a coming meeting in PNG between the boss of the Australian Federal Police, Mick Palmer, and his PNG counterpart, (Bob Nanta).

I asked Police Commissioner (Nanta) if it was a big worry.

[(Nanta)] Yes, although we have not made any big breakthroughs of guns coming into this country, the feeling has always been there. We know for a fact that drugs have gone across the other side. We have had one or two cases where we have guns coming into the country. In fact, on the border in the Western Province we have made some successful arrests with people coming in with guns, but not on a very large scale, mainly perhaps because of a big coastline we have no ways of keeping it under constant surveillance.

[Dorney] The coastline in the Western Province at the top of the Torres Strait is equivalent to about half the coastline of New South Wales and Mr. (Nanta) has fewer than 50 policemen covering that whole region.

What sort of facilities do they have to guard against this guns for drugs trade?

[(Nanta)] All we need is some boats to patrol the area and check the islands and also the movement of people even.

[(Dorney] Do the police have any boats placed in the Western Province at the moment?

[(Nanta)] Here, we only have one, not oceangoing, its just to patrol our coastal area here.

[(Dorney] But I came to find out that even that one boat is no longer operational and three of the police outstations are unmanned. Most of the drug hauls made so far in the Western Province have been marijuana flown down in private charters from the Highlands intended for shipping through the Torres Strait or by light aircraft flown out of a light airstrip. Father Leebit from the PNG's National Narcotics Bureau is concerned that soon there will be a lot more guns up for sale in Australia and he is worried it presents a golden opportunity for organized crime.

[(Leebit] You get there and somebody is standing down there in Torres Strait waving his gun in the air saying somebody want to buy it. It's got to go through some organization and that could only be a criminal organization. I have no idea whether it has started or anything, but I say we have to be doubly on the alert for that because there will be people who will simply say I am not going to give my gun in to the government; but I have a feeling I know what I should do. They would do what they can to get the highest price they can. The organization is going to keep the lid on this state, buy them up and sell it back at higher prices. When they go they could carry it on their back and then it would be [words indistinct]. [end recording]

Papua New Guinea: Chan Insists on Right To Use Australian Weapons

BE0507033996 Sydney THE SYDNEY MORNING HERALD in English 3 Jul 96

[Article by Greg Roberts in Port Moresby: "PNG Tells Australia: We Will Use Your Weapons" — Received via Internet]

[(FBIS Transcribed Text] The Prime Minister of Papua New Guinea [PNG], Sir Julius Chan, insisted yesterday that his armed forces had the right to use Australian-supplied military equipment in its controversial offensive against the Bougainville Revolutionary Army (BRA).

In a wide-ranging interview with the Herald in Port Moresby, Sir Julius attacked Australia for allowing

separatist leaders, whom he described as "criminals", to operate from its territory.

Sir Julius said Australian-supplied Iroquois helicopters, patrol boats and other equipment were being used to defend troops on Bougainville.

"It is normal logistical support necessary for our military forces. They are used in certain locations where the government feels security is warranted to prevent further infiltration of unwanted people," he said.

"We only use it when it is totally required and that is not for civilian purposes. In pursuance of criminals, we have to use every legitimate means."

Sir Julius also expressed disappointment at the Howard government's approach towards his country. "The new government does not seem to have any innovative policy in respect of the special relationship between our two countries," he said.

He also criticised the former government for failing to consult PNG before signing a security pact with Indonesia last year: "They kept PNG completely in the dark. I would have expected at least a little bit of courtesy on an issue like that which affects PNG."

The minister for foreign affairs, Mr. Downer, insists that military equipment has "not been provided in direct support" of PNG operations on Bougainville.

Port Moresby had previously assured Australia it would not use the helicopters as gunships and Sir Julius said while he was "miffed" with this condition, it would be complied with.

Sir Julius said that by harbouring BRA activists such as Mr. Moses Havini and Mr. Martin Miriori, Australia and the Solomon Islands had exacerbated the Bougainville conflict: "I don't know how these governments can allow people to make declarations of war against an elected sovereign government from their soil."

He was adamant PNG would use whatever force was necessary to eradicate the BRA: "We are honing in on the criminals. We have no choice but to be very determined to make sure we have a united PNG."

Sir Julius also admitted for the first time that eight young men were killed by soldiers in northern Bougainville two weeks ago, but he said he had been told by the military they were active BRA members who died in a shoot-out.

A spokesman for Mr. Downer said the government regarded its relationship with PNG as "very important".

Papua New Guinea: BRA Says Military Operation Under Way on Bougainville

*BK0307033796 (Internet) Australian Broadcasting Corporation Online WWW in English
0150 GMT 3 Jul 96*

[PBIS Transcribed Text] Claims nine Papua New Guinea [PNG] soldiers have been killed by the Bougainville Revolutionary Army [BRA] in the past five days have gone unanswered by the PNG military.

The military is continuing a media blackout of its latest offensive, with no media allowed onto the main island of Bougainville.

The PNG Government says its planned sweep through the mountains of south-central Bougainville to flush out the rebels has not yet begun.

But the BRA's Australian-based spokesmen claims it's well underway but that it's failing.

Papua New Guinea: Bougainville Rebels Kill Soldier in Fighting

BK1007062796 Melbourne Radio Australia in English 0100 GMT 10 Jul 96

[PBIS Transcribed Text] The Papua New Guinea [PNG] Defense Force has suffered its first casualty in its renewed military offensive on the island of Bougainville. Sean Dorney reports a soldier has been killed at Aropa on the island's southeast coast.

[Begin Dorney recording] A company of soldiers established a beachhead at Aropa on Monday with the intention of pushing west into the mountains which have been the stronghold of the Bougainville Revolutionary Army since the war began seven years ago.

Rebels resisting the advance wounded a number of soldiers in the initial encounters and now they have killed one. Rebel casualties are not known at this stage. [end recording]

Papua New Guinea: Red Cross Suspends Operations on Bougainville

BK1107031096 Sydney THE SYDNEY MORNING HERALD in English 11 Jul 96

(Report by Greg Roberts — Received via Internet)

[PBIS Transcribed Text] The International Red Cross has suspended operations on Bougainville following suggestions the Papua New Guinea Defence Force (PNGDF) put the lives of aid workers at risk by disseminating false information.

The decision means no nongovernment aid agencies now have a presence on the island as the PNGDF

steps up its offensive against the separatist Bougainville Revolutionary Army (BRA).

This will further hamper efforts to get food and medical supplies to an estimated 70,000 people taking refuge from the conflict in government-controlled care centres.

The Red Cross was trying yesterday to evacuate its Bougainville coordinator, Mrs. Pauline Onsa, who is thought to be ill and who was the subject of an extraordinary statement by the PNGDF in Port Moresby.

According to the statement, Mrs. Onsa "missed bullets by inches" when the BRA "rained indiscriminate fire" during an attack last week on the Red Cross office in the town of Arawa.

The statement said Mrs. Onsa was very concerned at the BRA attack on humanitarian facilities and that the Red Cross office would be closed for two months.

The statement claimed Mrs. Onsa had "urged the international community to condemn these criminal acts by rebels".

Aid sources said Mrs. Onsa had been careful to maintain good relations with both sides, and would never have jeopardised the Red Cross's work by publicly supporting one side.

The PNGDF statement's claim that Mrs. Onsa was being evacuated to Sydney for medical treatment was "hogwash", the aid sources said.

Papua New Guinea: Premier's Building Damaged in Grenade Attack

LD1007093196 Melbourne Radio Australia in English 0800 GMT 10 Jul 96

[PBIS Transcribed Text] Police in the Papua New Guinea capital, Port Moresby, are investigating why a hand grenade was thrown into an office building housing the prime minister's department. Glass panes on the ground floor of the five-story building, called Moresby Haus, were shattered by the blast, which destroyed several computers belonging to the lands department. Police investigations show there was no entry into the offices after the incident, which occurred at about eight o'clock last night [1000 GMT 9 July].

This is the second major incident in which government buildings have been targeted. The last was in April, when a young man walked into the national parliament building and poured fuel in the public gallery, then set it alight.

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